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

GLOBAL OFFERING

Sole Sponsor, Sponsor-Overall Coordinator, Overall Coordinator,
Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

华泰国际 HUATAI INTERNATIONAL

Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers (in alphabetical order)

CITIC SECURITIES

招銀国际 CMB INTERNATIONAL

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers (in alphabetical order)

中銀國際 BOCI

申萬宏源香港 SHENWAN HONGYUAN

If you are in any doubt about any of the contents of this Prospectus, you should obtain independent professional advice.

NEW GONOW
新吉奧
New Gonow Recreational Vehicles Inc.
新吉奧房车有限公司

(Incorporated in the Cayman Islands with limited liability)

GLOBAL OFFERING

Number of Offer Shares under the Global Offering	:	**240,000,000 Shares (subject to the Over-allotment Option)**
Number of Hong Kong Offer Shares	:	**24,000,000 Shares (subject to reallocation)**
Number of International Offer Shares	:	**216,000,000 Shares (subject to reallocation and the Over-allotment Option)**
Maximum Offer Price	:	**HK$1.64 per Offer Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal value	:	**US$0.0001 per Share**
Stock code	:	**0805**

Sole Sponsor, Sponsor-Overall Coordinator, Overall Coordinator, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

华泰国际
HUATAI INTERNATIONAL

Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers (in alphabetical order)

CITIC SECURITIES

招銀国际 CMB INTERNATIONAL

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers (in alphabetical order)

中銀國際 BOCI

申萬宏源香港 SHENWAN HONGYUAN

Joint Bookrunners and Joint Lead Managers (in alphabetical order)

第一上海 First Shanghai Group

FOSUN INTL SECURITIES

一盈證券有限公司 I WIN SECURITIES LTD.

利弗莫尔证券 LIVERMORE HOLDINGS LIMITED

TradeGo Markets

萬海證券(香港)有限公司 WANHAI SECURITIES (HK) LIMITED

盈寶證券 WINBULL

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus. A copy of this Prospectus, having attached thereto the documents specified in "Appendix V — Documents Delivered to the Registrar of Companies and Available on Display" has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility for the contents of this Prospectus or any other documents referred to above.

The Offer Price is expected to be fixed by agreement between the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company on the Price Determination Date or such later date as may be agreed by the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and our Company but in any event no later than 12:00 noon on Thursday, January 9, 2025. The Offer Price will be not more than HK$1.64 per Offer Share and is currently expected to be not less than HK$1.24 per Offer Share. Applicants for Hong Kong Offer Shares may be required to pay, on application (subject to application channels), the Maximum Offer Price of HK$1.64 per Offer Share together with brokerage of 1%, SFC transaction levy of 0.0027%, the Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%, subject to refund if the Offer Price should be less than HK$1.64 per Offer Share. If, for any reason, the Offer Price is not agreed between the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company on or before 12:00 noon on Thursday, January 9, 2025, the Global Offering (including the Hong Kong Public Offering) will not proceed and will lapse.

The Overall Coordinators (for themselves and on behalf of the Underwriters) may, with our consent, reduce the number of Offer Shares being offered under the Global Offering and/or the indicative Offer Price range below as stated in this Prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, an announcement will be published on the websites of our Company at **http://www.newgonowrv.hk** and the Stock Exchange at **www.hkexnews.hk** not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering. Details of the arrangement will then be announced by us as soon as practicable. For further information, please refer to the sections headed "Structure of the Global Offering" and "How to Apply for the Hong Kong Offer Shares" in this Prospectus.

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement are subject to termination by the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) if certain grounds arise prior to 8:00 a.m. on the Listing Date. Further details of such circumstances are set out in "Underwriting — Underwriting arrangements and expenses — Grounds for Termination".

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be offered, sold, pledged or transferred within the United States or to, or for the account or benefit of U.S. persons (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The Offer Shares are being offered and sold to outside the United States in offshore transactions in accordance with Regulation S.

ATTENTION

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide printed copies of this Prospectus to the public in relation to the Hong Kong Public Offering. This Prospectus is available at the websites of our Company at **www.newgonowrv.hk** and the Stock Exchange at **www.hkexnews.hk**. If you require a printed copy of this Prospectus, you may download and print from the website addresses above.

December 31, 2024

IMPORTANT NOTICE TO INVESTORS:

FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide printed copies of this Prospectus in relation to the Hong Kong Public Offering.

This Prospectus is available at the website of the Stock Exchange at **www.hkexnews.hk** under the "*HKEXnews > New Listings > New Listing Information*" section, and our website at **www.newgonowrv.hk**. You may download and print from these website addresses if you want a printed copy of this Prospectus.

To apply for the Hong Kong Offer Shares, you may:

(1) apply online through the **HK eIPO White Form** service at **www.hkeipo.hk** ; or

(2) apply electronically through the **HKSCC EIPO** channel and cause HKSCC Nominees to apply on your behalf by instructing your broker or custodian who is a HKSCC Participant to give **electronic application instructions** via HKSCC's FINI system to apply for the Hong Kong Offer Shares on your behalf.

We will not provide any physical channels to accept any application for the Hong Kong Offer Shares by the public. The contents of the electronic version of this Prospectus are identical to the printed prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

If you are an **intermediary**, **broker** or **agent**, please remind your customers, clients or principals, as applicable, that this Prospectus is available online at the website addresses stated above.

Please refer to the section headed "How to Apply for the Hong Kong Offer Shares" in this Prospectus for further details on the procedures through which you can apply for the Hong Kong Offer Shares electronically.

Your application through the **HK eIPO White Form** service or the **HKSCC EIPO** channel must be made for a minimum of 2,000 Hong Kong Offer Shares and in one of the numbers set out in the table below.

If you are applying through the **HK eIPO White Form** service, you may refer to the table below for the amount payable for the number of Shares you have selected. You must pay the respective maximum amount payable on application in full upon application for Hong Kong Offer Shares.

If you are applying through the **HKSCC EIPO** channel, you are required to pre-fund your application based on the amount specified by your broker or custodian, as determined based on the applicable laws and regulations in Hong Kong.

No. of Hong Kong Offer Shares applied for	Maximum Amount payable(2) on application/ successful allotment HK$	No. of Hong Kong Offer Shares applied for	Maximum Amount payable(2) on application/ successful allotment HK$	No. of Hong Kong Offer Shares applied for	Maximum Amount payable(2) on application/ successful allotment HK$	No. of Hong Kong Offer Shares applied for	Maximum Amount payable(2) on application/ successful allotment HK$
2,000	3,313.08	40,000	66,261.58	200,000	331,307.88	4,000,000	6,626,157.60
4,000	6,626.16	50,000	82,826.96	300,000	496,961.82	5,000,000	8,282,697.00
6,000	9,939.24	60,000	99,392.37	400,000	662,615.75	6,000,000	9,939,236.40
8,000	13,252.31	70,000	115,957.76	500,000	828,269.70	7,000,000	11,595,775.80
10,000	16,565.39	80,000	132,523.15	600,000	993,923.65	8,000,000	13,252,315.20
12,000	19,878.47	90,000	149,088.55	700,000	1,159,577.58	9,000,000	14,908,854.60
14,000	23,191.55	100,000	165,653.95	800,000	1,325,231.52	10,000,000	16,565,394.00
16,000	26,504.63	120,000	198,784.73	900,000	1,490,885.45	12,000,000(1)	19,878,472.80
18,000	29,817.71	140,000	231,915.51	1,000,000	1,656,539.40		
20,000	33,130.79	160,000	265,046.30	2,000,000	3,313,078.80		
30,000	49,696.18	180,000	298,177.09	3,000,000	4,969,618.20		

Note:

(1) Maximum number of Hong Kong Offer Shares you may apply for and this is 50% of the Hong Kong Offer Shares initially offered.

(2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) or to the **HK eIPO White Form** Service Provider (for applications made through the application channel of the **HK eIPO White Form** Service Provider) and the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC; and in the case of the AFRC transaction levy, collected by the Stock Exchange on behalf of the AFRC).

No application for any other number of Hong Kong Offer Shares will be considered and any such application is liable to be rejected.

*If there is any change in the following expected timetable of the Global Offering, we will issue an announcement on the respective websites of our Company at **www.newgonowrv.hk** and the Stock Exchange at **www.hkexnews.com.hk**.*

Hong Kong Public Offering commences . . . . .9:00 a.m. on
Tuesday, December 31, 2024

Latest time for completing electronic applications under the **HK eIPO White Form** service through the designated website at **www.hkeipo.hk**[2] . . . . .11:30 a.m. on
Wednesday, January 8, 2025

Application lists of the Hong Kong Public Offering open[3] . . . . .11:45 a.m. on
Wednesday, January 8, 2025

Latest time for giving **electronic application instructions** to HKSCC[4]. . . . . 12:00 noon on
Wednesday, January 8, 2025

Latest time to complete payment of **HK eIPO White Form** applications by effecting internet banking transfer(s) or PPS payment transfer(s) . . . . 12:00 noon on
Wednesday, January 8, 2025

If you are instructing your **broker** or **custodian** who is a HKSCC Participant to give **electronic application instructions** via HKSCC's FINI system to apply for the Hong Kong Public Offer Shares on your behalf, you are advised to contact your **broker** or **custodian** for the latest time for giving such instructions which may be different from the latest time as stated above.

Application lists of the Hong Kong Public Offering close[3] . . . . 12:00 noon on
Wednesday, January 8, 2025

Expected Price Determination Date[5] . . . . on or before 12:00 noon
Thursday, January 9, 2025

Announcement of the final Offer Price, the indications of the level of interest in the International Offering, the level of applications in respect of the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares under the Hong Kong Public Offering to be published at the websites of the Stock Exchange at **www.hkexnews.hk** and our Company at **www.newgonowrv.hk** on or before[6]	11:00 p.m. on Friday, January 10, 2025
Results of allocations in the Hong Kong Public offering will be available from "Allotment Results" page at designated results of allocations website at **www.tricor.com.hk/ipo/result** (alternatively: **www.hkeipo.hk/IPOResult**) with a "search by ID" function on a 24-hour basis	From 11:00 p.m. on Friday, January 10, 2025 to 12:00 midnight on Thursday, January 16, 2025
Despatch of Share certificates/Deposit of Shares certificate into CCASS in respect of wholly or partially successful applications pursuant to the Hong Kong Public Offering on or before[7][8]	Friday, January 10, 2025
Despatch of **HK eIPO White Form** e-Auto Refund payment instructions/refund checks in respect of wholly successful (if applicable) or wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering on or before[9][10]	Monday, January 13, 2025
Dealings in Shares on the Stock Exchange to commence at	9:00 a.m. on Monday, January 13, 2025

The application for the Hong Kong Offer Shares will commence on Tuesday, December 31, 2024 through Wednesday, January 8, 2025, being longer than normal market practice of three and a half days. Investors should be aware that the dealings in the Shares on the Stock Exchange are expected to commence on Monday, January 13, 2025.

Notes:

(1) All times refer to Hong Kong local time. Details of the structure and conditions of the Global Offering, including its conditions, are set out in the section headed "Structure and Conditions of the Global Offering" in this Prospectus. If there is any change in this expected timetable, an announcement will be published on the website of our Company at **www.newgonowrv.hk** and the website of the Stock Exchange at **www.hkexnews.hk**.

(2) You will not be permitted to submit your application through the designated website at **www.hkeipo.hk** after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained an application reference number from the designated website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.

(3) If there is a "black" rainstorm warning or a tropical cyclone warning signal number 8 or above or Extreme Conditions in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Wednesday, January 8, 2025, the application lists will not open and close on that day. Further information is set out in the paragraph headed "How to Apply for the Hong Kong Offer Shares — E. Bad Weather Arrangements" in this Prospectus. If the application lists do not open and close on Wednesday, January 8, 2025, the dates mentioned in this section of the Prospectus may be affected. A press announcement will be made by us in such event.

(4) Applicants who apply for Hong Kong Offer Shares by giving **electronic application instructions** to HKSCC via HKSCC's FINI system should refer to the paragraph headed "How to Apply for the Hong Kong Offer Shares — A. Application for the Hong Kong Offer Shares — 2. Application Channels" in this Prospectus for details.

(5) The Price Determination Date, being the date on which the Offer Price is to be determined, is expected to be on or before Thursday, January 9, 2025. If, for any reason, the Offer Price is not agreed between the Sole Global Coordinator (for itself and on behalf of the Underwriters) and our Company by 12:00 noon on Thursday, January 9, 2025, the Global Offering will not proceed and will lapse immediately.

(6) None of the website or any information contained on that website forms part of this Prospectus.

(7) Applicants who apply through the **HK eIPO White Form** service for 1,000,000 or more Hong Kong Offer Shares and have provided all information required in their application that they may collect Share certificates (if applicable) in person may do so from our Hong Kong Share Registrar, Tricor Investor Services Limited at 17/F, Far East Finance Center, 16 Harcourt Road, Hong Kong from 9:00 a.m. to 1:00 p.m. on Monday, January 13, 2025 or any other date notified by us as the date of despatch of Share certificates/e-Auto Refund payment instructions/refund checks. Applicants being individuals who are eligible for personal collection must not authorize any other person to make their collection on their behalf. Applicants being corporations who are eligible for personal collection must attend by sending their authorized representatives each bearing a letter of authorisation from his/her corporation stamped with the corporation's chop. Both individuals and authorized representatives (if applicable) must produce, at the time of collection, evidence of identity acceptable to our Hong Kong Share Registrar, Tricor Investor Services Limited. Applicants who have applied through the **HKSCC EIPO** channel may not collect their Share certificates, which will be deposited into CCASS for the credit of their designated HKSCC Participant's stock accounts, as appropriate. Uncollected Share certificates will be despatched by ordinary post at the applicant's own risk to the address specified in the relevant application. For further information, applicants should refer to the paragraph headed "How to Apply for the Hong Kong Offer Shares — D. Despatch/Collection of Share certificates and refund of application monies" in this Prospectus.

(8) Share certificates for the Hong Kong Offer Shares will become valid evidence of title at 8:00 a.m. on Monday, January 13, 2025, provided that (i) the Hong Kong Public Offering has become unconditional in all respects; and (ii) neither of the Underwriting Agreements has been terminated in accordance with its terms. Investors who trade Shares on the basis of publicly available allocation details before the receipt of Share certificates or before the Share certificates becoming valid do so entirely at their own risk.

(9) e-Auto Refund payment instructions/refund checks will be issued in respect of wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering and also in respect of wholly or partially successful applications in the event that the final Offer Price is less than the price payable per Offer Share on application. Part of the applicant's identification document number, or, if the application is made by joint applicants, part of the identification document number of the first-named applicant, provided by the applicant(s) may be printed on the refund check, if any. Such data would also be transferred to a third party for refund purposes. Banks may require verification of an applicant's identification document number before cashing the refund check. Inaccurate completion of an applicant's identification document number may lead to delay in encashment of, or may invalidate, the refund check.

Applicants who apply through the **HK eIPO White Form** service and paid their applications monies through single bank account may have refund monies (if any) despatched to their application payment bank account, in the form of e-Auto Refund payment instructions. Applicants who apply through the **HK eIPO White Form** service and paid their application monies through multiple bank accounts may have refund monies (if any) despatched to the address as specified in their application instructions to the **HK eIPO White Form** Service Provider, in the form of refund checks in favor of the applicant (or, in the case of joint applications, the first-named applicant), by ordinary post at their own risk.

(10) Applicants who apply for Hong Kong Public Offer Shares via the **HK eIPO White Form** service should refer to the paragraph headed "How to Apply for the Hong Kong Public Offer Shares — D. Despatch/Collection of Share certificates and Refund of Application Monies" in this Prospectus.

Particulars of the structure and conditions of the Global Offering, including the conditions thereto, are set out in the section headed "Structure and Conditions of the Global Offering" in this Prospectus. Details relating to how to apply for the Hong Kong Offer Shares are set out in the section headed "How to Apply for the Hong Kong Offer Shares" in this Prospectus.

This Prospectus is issued by our Company solely in connection with the Hong Kong Public Offering and the Hong Kong Offer Shares and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Hong Kong Offer Shares offered by this Prospectus pursuant to the Hong Kong Public Offering. This Prospectus may not be used for the purpose of marketing, and does not constitute, an offer or invitation in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Offer Shares in any jurisdiction other than Hong Kong and no action has been taken to permit the distribution of this Prospectus in any jurisdiction other than Hong Kong. The distribution of this Prospectus and the offering and sale of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

You should rely only on the information contained in this Prospectus to make your investment decision. We have not authorized anyone to provide you with information that is different from what is contained in this Prospectus. Any information or representation not made in this Prospectus must not be relied on by you as having been authorized by us, the Sole Sponsor, Sponsor-Overall Coordinator, Overall Coordinators, Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers, the Underwriters, any of their respective directors or any other person or party involved in the Global Offering.

This summary aims to give you an overview of the information contained in this Prospectus and should be read in conjunction with the full text of this Prospectus. As this is only a summary, it does not contain all the information that may be important to you. You should read this Prospectus in its entirety before you decide to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in "Risk Factors." You should read that section carefully before you decide to invest in the Offer Shares. Various expressions used in this section are defined or explained in "Definitions" and "Glossary of Technical Terms" in this Prospectus.

OVERVIEW

We are a recreational vehicle (RV) enterprise with an extensive presence in Australasia that designs, develops, manufactures and sells bespoke towable RVs, commanding the second-largest market share in Australasia's RV industry in terms of both revenue and sales volume in 2023, according to Frost & Sullivan. With our 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 emphasis on comfortability, safety and functionality, creating mobile homes that can address RV owners' needs for both extra physical and mental space. 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, delivery to various after-sales services.

According to Frost & Sullivan, the Australasia RV market exhibits a relatively concentrated structure. According to the 2023 sales volume data, the top five participants in Australasia RV market collectively hold approximately 55.4% of the market share, with our Group capturing about 6.8% of the market share. In addition, in terms of revenue in 2023, the top five participants in Australasia RV market collectively hold approximately 52.0% of the market share, with our Group capturing about 7.8% of the market share.

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 owners.

- ***Product research and development***. We have been continuously rejuvenizing and broadening our collection 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. During the Track Record Period, we developed and launched nine new models under Regent, six new models under Snowy River, upgraded 21 models under Snowy River, and developed and launched five new models under NEWGEN. In addition, 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). We are among the first batch of RV experts that bring ERV options to commercialization, according to Frost & Sullivan.

- ***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 June 30, 2024, we had built a robust sales and distribution network consisting of 13 third-party dealer stores, two self-owned stores alongside online official websites, 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. Notably, our market share in Queensland's vibrant RV market surpassed our performance in the broader Australian RV market in terms of sales volumes in 2023, according to

Frost & Sullivan. Additionally, we actively engage in targeted marketing through online promotions and offline events to further enhance our brand recognition and acquire customers.

Owing to our end-to-end management capabilities from RV conceptualization to manufacturing and eventual sales and distribution, we have become a RV precursor, ranking second among Australasia's standard caravans in terms of sales volumes in 2023. Leveraging our demonstrated proficiency in the RV industry value chain and our solid and growing customer base in Australasia, we have achieved robust sales growth over the Track Record Period. In 2021, 2022 and 2023 and for the six months ended June 30, 2024, we delivered an aggregate of 1,330, 2,127, 2,694 and 1,427 RVs to our customers, respectively, representing an increase of 59.9% from 2021 to 2022 and 26.7% from 2022 to 2023.

Our revenues continued to soar during the Track Record Period. We achieved revenues of RMB299.7 million in 2021, RMB498.8 million in 2022, and RMB720.3 million in 2023, with corresponding gross profit margins of 16.7%, 16.5% and 25.1% for those years. Our revenues were RMB422.0 million for the six months ended June 30, 2024, with corresponding gross profit margin of 32.0% for the same period. Our net profit grew significantly from RMB25.1 million in 2021 to RMB33.0 million in 2022, and further to RMB78.8 million in 2023. Our net profit was RMB40.4 million for the six months ended June 30, 2024. Our adjusted net profit (non-HKFRS measure) was RMB25.1 million, RMB33.0 million, RMB78.8 million and RMB55.7 million in 2021, 2022 and 2023 and for the six months ended June 30, 2024, respectively.

OUR BUSINESS MODEL

Our product offering is showcased under 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. Driven by our relentless dedication to customer satisfaction, we offer a high degree of customization for all our RV models. See "Business — Our Product and Brand." We design and manufacture our RVs with emphasis on comfortability, safety and functionality. According to Frost & Sullivan, we achieved the second-largest market share in Australasia's RV industry in terms of sales volume in 2023. In addition, as of the Latest Practicable Date, steering the evolution of the RV industry, we were in the final stage of developing new towable ERV models, which are lighter in weight and featured with automotive design and constructions, and were among the first batch of RV experts that bring towable ERV options to commercialization. See "Business — Product Development and Innovation — Our Towable ERV Model in the Pipeline." Furthermore, we expect to launch hybrid off-road towable RVs and motorized RVs first in Australasia by the end of 2024 and eventually roll out our RV collections in the European and Canadian markets. As confirmed by Frost & Sullivan, no import duty was applicable to RVs of a Chinese origin exported into Europe or Canada as of the Latest Practicable Date. For our potential tariff exposure in light of our expansion plan in Europe and Canada, see "Risk Factors — Risks relating to our Business and our Industry — We may be subject to tariffs in countries where we operate or plan to expand our business."

Built upon a vertically integrated business model, we combine our in-house product design and manufacturing expertise in China with our local sales capabilities in Australasia, effectuating superior end-to-end owner experiences for RV owners from conceptualization, design selection, customization, delivery to various after-sales services. Our manufacturing team in China works closely with our marketing and distribution team in Australasia to deliver end-to-end services to our customers. To capture the benefit of our integrated manufacturing capabilities in the PRC and our local decade-long presence, extensive sales and distribution network and rich marketing experience in the RV industry in Australasia, we produce our frame and chassis in China utilizing the latest vacuum press technology and advanced craftsmanship, and then ship them to our assembly lines in Melbourne to be assembled according to Australian federal standards that can be marketed in both Australia and New Zealand.

Our RVs are available for sale and delivery in Australia and New Zealand and have a pre-tax base price ranging from A$50,900 (equivalent to RMB230,093) to A$84,990 (equivalent to RMB384,197), depending on the brands and models. As of June 30, 2024, we had built a dynamic, multifaceted sales and distribution network, leveraging a combination of three distinct channels: (i) a robust and extensive network of 13 third-party dealer stores in Australasia, enhancing our sales coverage and market penetration; (ii) two self-owned stores in Australia alongside online official websites, ensuring direct local presence, fostering connection with our clientele, and acquire invaluable market insights firsthand; and (iii) four JV stores with our JV partners, allowing us to expand our sales and distribution network while mitigating substantial overhead costs. 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. See "Business — Sales and Distribution."

We also offer auxiliary services that support and synergize with our core business. As of June 30, 2024, we had a network of 54 recommended RV workshops (including our self-owned stores and JV stores) offering various after-sales services, including RV maintenance, repairs, and sales and upgrade of a wide selection of RV parts and accessories, ensuring that our customers have access to everything they need to keep their vehicles running smoothly and efficiently. By integrating these additional offerings into our business model, we strive to foster lasting relationships with our RV owners that goes beyond mere transactions, ensuring satisfaction, long-term customer loyalty, and an exceptional ownership experience. Additionally, 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.

The following table sets forth our revenue breakdown by products, both in absolute amount and as a percentage, for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2021		2022		2023		2023		2024	
							(Unaudited)			
	(RMB in thousands, except for percentages)									
Sale of RVs	298,586	99.6%	498,116	99.9%	710,747	98.7%	309,526	100.0%	396,894	94.1%
— Snowy River	233,273	77.8%	402,690	80.7%	550,175	76.4%	235,517	76.1%	335,096	79.4%
— Regent	35,098	11.7%	49,347	9.9%	84,338	11.7%	35,514	11.5%	26,514	6.3%
— NEWGEN	30,215	10.1%	46,079	9.2%	76,234	10.6%	38,495	12.4%	35,284	8.4%
Sale of pre-owned RVs	—	—	—	—	8,691	1.2%	—	—	23,396	5.5%
Others[1]	1,086	0.4%	664	0.1%	865	0.1%	—	—	1,683	0.4%
Total	299,672	100.0%	498,780	100.0%	720,303	100.0%	309,526	100.0%	421,973	100.0%

Note:

(1) Others include revenue generated from sales of RV parts during our provision of after-sales services which are auxiliary to our core business of sales of our RVs.

The following table sets forth a breakdown of our gross profit and gross profit margin by products for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2021		2022		2023		2023		2024	
	Gross Profit	Gross profit margin	Gross Profit	Gross profit margin	Gross Profit	Gross profit margin	Gross Profit	Gross profit margin	Gross Profit	Gross profit margin
							(Unaudited)			
	(RMB in thousands, except for percentages)									
Sales of RVs	49,755	16.7%	82,172	16.5%	179,521	25.3%	71,381	23.1%	127,662	32.2%
— Snowy River	39,455	16.9%	63,590	15.8%	140,804	25.6%	55,844	23.7%	105,169	31.4%
— Regent	6,938	19.8%	7,535	15.3%	15,572	18.5%	6,517	18.4%	8,207	31.0%
— NEWGEN	3,362	11.1%	11,047	24.0%	23,145	30.4%	9,020	23.4%	14,286	40.5%
Sales of pre-owned RVs	—	—	—	—	1,415	16.3%	—	—	6,777	29.0%
Others	348	32.1%	72	10.9%	115	13.3%	—	—	464	27.6%
Total	50,103	16.7%	82,244	16.5%	181,051	25.1%	71,381	23.1%	134,903	32.0%

Overall, the fluctuations in our gross profit margin for sales of RVs were primarily affected by the following factors: (i) high degree of customization of our RV owners which typically yields higher gross profit margin, (ii) the proportion of our retail sales of RVs through self-owned stores and JV stores attributable to the relatively higher retail prices compared to the wholesale prices for dealers, and (iii) fluctuations in shipping and handling expenses.

More specifically, our gross profit margin for the Snowy River RVs decreased from 16.9% in 2021 to 15.8% in 2022, primarily due to an increase in shipping and handling expenses amid COVID-19. Our gross profit margin for the Snowy River RVs increased to 25.6% in 2023, primarily due to (i) a higher degree of customization, (ii) a higher proportion of retail sales, and (iii) the higher shipping and handling expenses in 2022 amid COVID-19. Our gross profit margin for the Snowy River RVs increased from 23.7% for the six months ended June 30, 2023 to 31.4% for the six months ended June 30, 2024, primarily due to a higher proportion of our retail sales of RVs through self-owned stores and JV stores than sales to dealers at wholesale prices which are generally lower than retail prices.

Our gross profit margin for the Regent RVs during the Track Record Period was primarily affected by fluctuations in shipping and handling expenses. The gross profit margin decreased from 19.8% in 2021 to 15.3% in 2022 and then increased to 18.5% in 2023, primarily due to (i) higher shipping and handling expenses on a per-unit basis as a result of higher levels of shipping prices due to the disruption to global supply chains caused by COVID-19, and (ii) the relatively larger revenue contribution of RV models which have higher gross profit margin in 2021. Our gross profit margin for the Regent RVs increased from 18.4% for the six months ended June 30, 2023 to 31.0% for the six months ended June 30, 2024, primarily due to a higher proportion of our retail sales of RVs through self-owned stores and JV stores than sales to dealers at wholesale prices which are generally lower than retail prices.

Our gross profit margin for the NEWGEN RVs increased from 11.1% in 2021 to 24.0% in 2022, primarily due to (i) a higher degree of customization, and (ii) a reduction in procurement costs as a result of our collaboration with more cost-effective suppliers for certain components of the NEWGEN models. Our gross profit margin for the NEWGEN RVs increased to 30.4% in 2023, primarily due to (i) the higher shipping and handling expenses in 2022 amid COVID-19, and (ii) a higher proportion of retail sales. Our gross profit margin for the NEWGEN RVs increased from 23.4% for the six months ended June 30, 2023 to 40.5% for the six months ended June 30, 2024, primarily due to a higher proportion of our retail sales of RVs through self-owned stores and JV stores than sales to dealers at wholesale prices which are generally lower than retail prices.

The following table sets forth a breakdown of our revenues from sales of RVs by distribution channels for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2021		2022		2023		2023		2024	
							(Unaudited)			
	(RMB in thousands, except for percentages)									
Sales to dealers	298,586	100.0%	472,834	94.9%	581,632	81.8%	268,175	86.6%	252,513	63.6%
Direct sales										
— Via self-owned stores	—	—	25,282	5.1%	100,769	14.2%	41,351	13.4%	76,302	19.2%
— Via JV stores[1]	—	—	—	—	28,346	4.0%	—	—	68,079	17.2%
Total	298,586	100.0%	498,116	100.0%	710,747	100.0%	309,526	100.0%	396,893	100.0%

Note:

(1) We have conducted sales of RVs through JV stores since we opened our first JV store operated by Leisure Lion in Queensland, Australia in 2020. As of June 30, 2024, we had a total of four JV stores: three were operated by Leisure Lion, comprising one opened in 2020 and two in 2023; and one opened in 2023 and operated by United RV. See "Business — Sales and Distribution — Self-owned Stores and JV Stores" for more details. Leisure Lion, initially an equally-owned joint venture, subsequently became our 51%-owned subsidiary in September 2023. United RV has been our subsidiary since its incorporation. Accordingly, with respect to the JV stores operated by Leisure Lion, we recognized revenue from sales of RVs as revenue generated from sales to dealers for 2021, 2022, and the period in 2023 when Leisure Lion remained as our equally-owned joint venture. After Leisure Lion became our subsidiary in September 2023, revenue was recorded as revenue generated from direct sales via JV stores. As a result, no revenue was recorded from direct sales via JV stores in 2021 and 2022 despite our first JV store being established in May 2020. With respect to the JV store operated by United RV, which was opened in 2023, revenue was recorded as revenue generated from direct sales via JV stores.

Our revenue generated from sales to dealers increased from RMB298.6 million in 2021 to RMB472.8 million in 2022 and further to RMB581.6 million in 2023, primarily due to the expansion in the number of our dealer stores and the increase in sales volume of RVs. Our revenue generated from sales to dealers decreased from RMB268.2 million for the six months ended June 30, 2023 to RMB252.5 million for the six months ended June 30, 2024, primarily because the revenue from the JV stores operated by Leisure Lion was recorded as revenue generated from direct sales via JV stores after Leisure Lion became our subsidiary in September 2023.

Our revenue generated from direct sales via self-owned stores increased from RMB25.3 million in 2022 to RMB100.8 million in 2023, primarily due to the addition of a new self-owned store in 2023 and the increase in sales volume of our RVs. Our revenue generated from direct sales via self-owned stores increased from RMB41.4 million for the six months ended June 30, 2023 to RMB76.3 million for the six months ended June 30, 2024, primarily due to the increase in sales volume of our RVs.

The following table sets forth a breakdown of our gross profit and gross profit margin from sales of RVs by distribution channels for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2021		2022		2023		2023		2024	
	Gross Profit	Gross profit margin	Gross Profit	Gross profit margin	Gross Profit	Gross profit margin	Gross Profit	Gross profit margin	Gross Profit	Gross profit margin
							(Unaudited)			
	(RMB in thousands, except for percentages)									
Sales to dealers	49,755	16.7%	73,235	15.5%	127,451	21.9%	55,133	20.6%	63,659	25.2%
Direct sales										
— Via self-owned stores	—	—	8,937	35.3%	40,820	40.5%	16,248	39.3%	34,196	44.8%
— Via JV stores	—	—	—	—	11,250	39.7%	—	—	29,807	43.8%
Total	49,755	16.7%	82,172	16.5%	179,521	25.3%	71,381	23.1%	127,662	32.2%

The trend in our gross profit margin for sales of RVs through the respective distribution channels was generally consistent with that in our overall gross profit margin for sales of RVs for the same periods. This trend was primarily affected by the following factors that also drive our overall gross profit margin: (i) a higher degree of customization which typically yields higher gross profit margin, (ii) increases in list prices of our RVs as a result of interior and exterior upgrades and rejuvenation to our RV models, and (iii) the impact of the higher shipping and handling expenses in 2022 as a result of the COVID-19 pandemic.

Moreover, we conduct retail sales of RVs through self-owned stores and JV stores at relatively higher retail prices compared to the wholesale prices for dealers, because as a natural practice for dealership operations, the wholesale prices for dealers factor in a discount to the retail prices, allowing dealers to sell the RVs at a profit. As a result, both the direct sales via self-owned stores and JV stores achieved higher gross profit margins compared to the sales to dealers.

OUR PRODUCT AND BRAND

We design, develop, manufacture and sell a wide array of bespoke towable RVs, offering a full spectrum of functionalities and an expansive range of auxiliary services, catering to the personalized tastes and requirements of our proud RV owners. As of June 30, 2024, we had successfully mass-produced a comprehensive lineup of 49 RV models, which were all standard caravans, spanning eight distinct series under three characteristic brands, namely Snowy River, Regent and NEWGEN, as described below:

Our Products

We design, produce and sell a wide range of towable RVs. Each of our RV is designed and produced with focus on comfortability, safety and functionality. Our RVs boast innovative designs and a suite of advanced technologies, setting them apart from our competitors' offerings. Our RVs display the following common features.

- **Exterior.** We employ sandwich panels for the construction of our RVs' floor, walls and roof, ensuring they are sturdy, lightweight, and water-resistant. Beneath the floor lies an organic zinc-rich silver metallic chassis with a 50mm ball coupling and torsion suspension, enhancing safety and delivering a smoother driving experience. Moreover, our anti-sway control system enhances vehicle stability, further improving driving safety and comfort.

- **Interiors.** We meticulously design and manufacture interior fittings and customized furnishings for our RVs in-house, aligning with our commitment to fulfilling the high degree of high-end customization of our RV owners, enhancing the competitiveness of our products in the market. To keep abreast of market trends, we also collaborate with third-party interior design consultants to select interior themes and colors through significant market research and study on focus groups. Every element inside our RVs is carefully curated by our team of skilled professionals, ensuring exceptional quality and customization to meet diverse tastes and preferences of our owners.

We pride ourselves on our commitment to customization. With our superior manufacturing capabilities and skilled craftsmanship, we offer a made-to-offer service that fosters a high level of personalization and ensures every RV reflects the unique preferences and needs of its owner. From exterior esthetics to interior layout and feature, and whether it is incorporating unique design elements, adding special amenities, or fine-tuning every detail, our team is dedicated to creating RVs that reflect individualized demands of different RV owners.

We maintain a high degree of customization for all our RV models, ranging from interior layouts, appliances, external deigns to furnishings and fittings, which can be almost completely adapted to match customer requirements, while still maintaining cost advantages associated with our production cycle. For the owners to visualize their dream RVs, we offer virtual selection interface online with estimated pricing under different options.

Our Brands

Our collection of bespoke RVs is curated under three characteristic brands, namely Snowy River, Regent and NEWGEN, which we regard as emblems of quality, craftsmanship, innovation and performance. Each of our brands stands out in style and technical performance characteristics with distinctive features and precise identities:

- Snowy River is our top-selling brand that perfectly combines contemporary and modern design elements with attention to details and functionalities, targeting mid-end customers.

- Regent is our luxury, high-end brand with more than three decades of history, characterized by luxurious cabins with spacious and elegantly designed interior layouts.

- NEWGEN is a semi-off-road brand, designed to appeal to the younger generation of customers.

Our Production Process and Facilities

Our production philosophy centers around product quality, continuous improvement, flexibility, advanced automation and high operating efficiency. We possess proprietary knowledge to produce RVs, from the production of frames and chassis to the final assembly and testing. Moreover, we are continuously optimizing our production techniques. Wedding our proprietary knowledge with our techniques in production from all aspects supports our control over the components and quality of our RVs throughout the production process.

Our production cycle for each of our RV brands starts in our production facilities in Zhejiang, China and finishes in our final assembly lines in Melbourne, Australia. The entire production process requires approximately 12 weeks, excluding the delivery time transporting the close-to-final towable RVs to the final assembly lines in Australia.

We build our RVs completely in-house. 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 play a crucial role in the final assembly of our RVs. The process starts with cutting, welding and assembling steel metals to form the "skeleton," or frame and chassis, of our RVs. This work takes place at a single workstation, after which all material is transported to the painting workstation for spraying and painting.

Concurrently, our staff proceeds to build the interior floors, ceilings, walls and wooden fixtures at our furniture workstation and production of upholstery at our tailoring workstation. Our staff also proceeds with the production of sandwich panels to be welded with the frame to form the exterior of our RVs. Once we finish building the exteriors, highly skilled artisans install all furniture and decorations, which are then delivered to our site in Australia for final assembly.

BACKLOG

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. Backlog is not a measure defined by generally accepted accounting policies.

The following table sets forth the outstanding contract value of projects in our backlog by brands as of the dates indicated:

	As of December 31,												As of June 30,				As of the Latest Practicable Date			
	2021				2022				2023				2024							
	RV Unit	A$ in thousands	Equivalent to RMB in thousands	%	RV Unit	A$ in thousands	Equivalent to RMB in thousands	%	RV Unit	A$ in thousands	Equivalent to RMB in thousands	%	RV Unit	A$ in thousands	Equivalent to RMB in thousands	%	RV Unit	A$ in thousands	Equivalent to RMB in thousands	%
Snowy River	955	48,028	217,111	76.3	1,337	73,004	330,015	80.7	1,240	68,457	309,460	83.9	1,236	66,806	301,997	82.8	1,267	70,629	319,278	92.3
Regent	144	8,692	39,292	13.8	173	11,354	51,326	12.6	72	4,631	20,934	5.7	77	4,924	22,259	6.1	13	868	3,926	1.1
NEWGEN	116	6,194	28,000	9.8	94	6,023	27,227	6.7	144	8,465	38,266	10.4	158	8,973	40,562	11.1	90	5,053	22,841	6.6
Total	1,255	62,914	284,403	100.0	1,604	90,381	408,567	100.0	1,456	81,553	368,660	100.0	1,471	80,703	364,818	100.0	1,370	76,550	346,045	100.0

See "Business — Backlog" for further details.

OUR STRENGTHS

We believe that the following competitive strengths are critical to our current success and crucial to our future growth:

- Widely recognized brands and invigorating RV collection;
- Robust product development capabilities;
- Manufacturing excellence with precision and cost efficiency;
- Effective and diversified distribution channels;
- Full supply chain management and timely delivery; and
- Visionary management team with extensive interdisciplinary expertise.

OUR STRATEGIES

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.

TOP CUSTOMERS AND SUPPLIERS

Top Customers

Our customers primarily consist of our dealers through which we sell our RVs to end customers. In each year/period of the Track Record Period, sales to our five largest customers in the aggregate accounted for 80.5%, 74.4%, 55.2% and 46.2% of our total revenues, respectively. In each year/period of the Track Record Period, sales to our largest customer accounted for 26.2%, 27.3%, 25.1% and 23.8% of our total revenues, respectively. None of our five largest customers in each year/period of the Track Record Period was also our supplier.

Green RV held 49% equity interest in our subsidiary, Leisure Lion, and was also a dealer operating two of our dealer stores as of June 30, 2024. Green RV was our largest customer in each year/period of the Track Record Period. See "Connected Transactions — Partially-Exempt Continuing Connected Transaction — Green RV Dealership Agreement" for more details.

Leisure Lion was initially a joint venture established by Regent Company, together with Green RV, in Australia in July 2019, with each of Green RV and us holding 50% interest, respectively. Subsequently, Leisure Lion became one of our subsidiaries in September 2023 when the shareholding interest of Regent Company in it increased to 51%. Leisure Lion was one of our five largest customers in 2021, 2022 and 2023, respectively.

To the best of our knowledge, all of our five largest customers in each year/period of the Track Record Period, except for Green RV as our JV partner, and Leisure Lion as our JV dealer, were independent third parties, and none of our Directors, their respective associates or any shareholder who, to the knowledge of our Directors, owned more than 5% of our issued share capital, had any interest in any of our five largest customers in each year/period of the Track Record Period. For details, see "Business — Top Customers and Suppliers — Top Customers."

Top Suppliers

Our suppliers mainly include suppliers of our production inputs. In each year/period of the Track Record Period, purchases from our five largest suppliers in the aggregate accounted for 38.7%, 30.1%, 22.8% and 22.9% of our total purchases, respectively. In each year/period of the Track Record Period, the purchases from our largest suppliers accounted for approximately 20.6%, 11.1%, 8.8% and 7.8% of our total purchases, respectively. None of our five largest suppliers in each year/period of the Track Record Period was also our customer.

To the best of our knowledge, all of our five largest suppliers in each year/period of the Track Record Period were independent third parties, except for Daide Power Machinery and Shangqiu Jishun, each of which was a company controlled by Mr. Miao, one of our Controlling Shareholders, and none of our Directors, their respective associates or any shareholder who, to the knowledge of our Directors, owned more than 5% of our issued share capital, had any interest in any of our five largest suppliers in each year/period of the

Track Record Period. Daide Power Machinery, one of our five largest suppliers in both 2021 and 2022, is an affiliate of Daide Longtree, mainly engaging in trading business. Daide Power Machinery is a limited liability company established under the laws of the PRC in 2010 and is controlled by Mr. Miao, one of our Controlling Shareholders. Shangqiu Jishun, one of our five largest suppliers for the six months ended June 30, 2024, is an indirect subsidiary of Daide Longtree and a connected person of our Company, mainly engaging in RV parts manufacturing. Shangqiu Jishun is a limited liability company established under the laws of the PRC in 2021 and is controlled by Mr. Miao, one of our Controlling Shareholders. For details, see "Business — Top Customers and Suppliers — Top Suppliers" and for details of our transactions with Shangqiu Jishun, see "Connected Transaction — Partially exempt continuing connected transactions — RV Parts Purchase Framework Agreement."

OUR INDUSTRY AND COMPETITIVE LANDSCAPE

Our Industry

The global camping market has seen substantial growth recently, fueled by increased interest in outdoor activities, rising disposable incomes, and a greater focus on health and wellness. According to Frost & Sullivan, the global number of campers reached approximately 279.3 million in 2023, and is expected to grow further to 439.0 million by 2028, representing a CAGR of 8.5% from 2024 to 2028. In regions like North America, Europe, and Australasia, camping has become a staple of recreational tourism. Campers have the flexibility to set up in various locations such as national parks, professional campgrounds, or smaller sites, making it an appealing tourism option. They can choose from different types of accommodations, including RVs, tents, or cabins that can be easily relocated to different settings. Among which, RVs offer a unique advantage as an accommodation option for camping, merging the convenience of mobility with the comfort of a home, making them an ideal choice for travelers seeking both adventure and comfort. RVs are designed with fully equipped living spaces that include sleeping areas, kitchens, bathrooms. Additionally, RVs come with essential amenities such as power and water systems, air conditioning, and storage solutions, making them suitable for both short excursions and extended travels. This self-contained setup ensures that campers can enjoy a high level of autonomy and flexibility during their journeys, enhancing their overall travel experience.

Our Competitive Landscape

The Australasia RV market exhibits a relatively concentrated structure and is primarily dominated by mid-end towable RVs. According to the 2023 sales data, the top five participants collectively hold approximately 55.4% of the market share. In the same year, our Group ranked as the second-largest RV company in Australasia, selling 2.7 thousand units and capturing about 6.8% of the market share.

In addition, measured by revenue, the Australasia RV market reached RMB9.2 billion in 2023, representing a CAGR of 9.9% since 2019. According to Frost & Sullivan, our Group ranked as the second-largest RV company in terms of revenue in 2023 in Australasia, capturing about 7.8% of the market share.

We are a notable standard caravan player in Australasia. Based on 2023 sales volume, we are the second-largest standard caravan player in Australasia, holding a market share of 9.7%, according to Frost & Sullivan. See "Industry Overview" for more details of the competitive landscape of relevant market regarding our products.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables present our summary of consolidated financial information as of and for the three years ended December 31, 2023, and for the six months ended June 30, 2023 and 2024. We have derived this summary from our historical financial information set forth in the Accountants' Report set out in Appendix I to this Prospectus. The summary financial data set forth below should be read together with our consolidated financial statements and the related notes, as well as the section headed "Financial Information."

Consolidated Statements of Profit or Loss

The following table sets forth a summary of our consolidated statement of profit or loss with line items in actual terms and as a percentage of our total revenue for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2021		2022		2023		2023		2024	
							(Unaudited)			
	(RMB in thousands, except for percentages)									
Revenue	299,672	100.0%	498,780	100.0%	720,303	100.0%	309,526	100.0%	421,973	100.0%
Cost of sales	(249,568)	(83.3%)	(416,536)	(83.5%)	(539,252)	(74.9%)	(238,145)	(76.9%)	(287,070)	(68.0%)
Gross profit	50,104	16.7%	82,244	16.5%	181,051	25.1%	71,381	23.1%	134,903	32.0%
Other income/(loss)	8,107	2.7%	9,115	1.8%	14,517	2.0%	7,667	2.5%	(2,667)	(0.6%)
Selling and distribution expenses	(6,479)	(2.2%)	(19,316)	(3.9%)	(41,547)	(5.8%)	(17,255)	(5.6%)	(32,184)	(7.6%)
Administrative expenses	(12,385)	(4.1%)	(21,155)	(4.2%)	(36,209)	(5.0%)	(14,078)	(4.5%)	(35,605)	(8.4%)
Research and development expenses	(2,835)	(0.9%)	(5,112)	(1.0%)	(7,968)	(1.1%)	(4,010)	(1.3%)	(5,625)	(1.3%)
(Provision)/reversal of impairment loss on trade receivables	(9)	(0.0%)	(65)	(0.0%)	34	0.0%	7	0.0%	(21)	(0.0%)
Share of profit/(loss) of a joint venture	912	0.3%	1,083	0.2%	113	0.0%	(283)	(0.1%)	—	—
Profit from operations	37,415	12.5%	46,794	9.4%	109,991	15.3%	43,429	14.0%	58,801	13.9%
Finance costs	(3,090)	(1.0%)	(2,533)	(0.5%)	(2,315)	(0.3%)	(1,079)	(0.3%)	(4,796)	(1.1%)
Profit before taxation	34,325	11.5%	44,261	8.9%	107,676	14.9%	42,350	13.7%	54,005	12.8%
Income tax	(9,245)	(3.1%)	(11,305)	(2.3%)	(28,908)	(4.0%)	(10,702)	(3.5%)	(13,575)	(3.2%)
Profit for the year/period	25,080	8.4%	32,956	6.6%	78,768	10.9%	31,648	10.2%	40,430	9.6%
Attributable to:										
Equity shareholders of the Company	25,080	8.4%	32,956	6.6%	79,973	11.1%	31,648	10.2%	39,532	9.4%
Non-controlling interests	—	—	—	—	(1,205)	(0.2%)	—	—	898	0.2%
Profit for the year/period	25,080	8.4%	32,956	6.6%	78,768	10.9%	31,648	10.2%	40,430	9.6%

NON-HKFRS MEASURES

To supplement our consolidated financial statements which are presented in accordance with HKFRS, we also use adjusted net profit (non-HKFRS measure) as additional financial measure, which is not required by, or presented in accordance with, HKFRS. We believe that such non-HKFRS measure facilitates comparisons of operating performance from period to period and company to company by eliminating potential impact of certain items.

We believe that adjusted net profit (non-HKFRS measure) provides useful information to investors and others in understanding and evaluating our consolidated statements of profit or loss and other comprehensive income in the same manner as they help our management. However, our presentation of adjusted net profit (non-HKFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of adjusted net profit (non-HKFRS measure) has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute of, our consolidated statements of profit or loss and other comprehensive income or financial performance as reported under HKFRS.

We define adjusted net profit for the year/period (non-HKFRS measure) as profit for the year/period adjusted by adding listing expenses.

The following table reconciles our adjusted net profit for the year/period (non-HKFRS measure) and our profit for the year/period presented in accordance with HKFRS for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,	
	2021	2022	2023	2023	2024
				(Unaudited)	
	(RMB in thousands)				
Profit for the year/period	25,080	32,956	78,768	31,648	40,430
Add:					
Listing expenses[1]	—	—	—	—	15,305
Adjusted net profit for the year/period (non-HKFRS measure)	25,080	32,956	78,768	31,648	55,735

Note:

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

Our total revenue increased by RMB199.1 million, or 66.4%, from RMB299.7 million in 2021 to RMB498.8 million in 2022, and further by RMB221.5 million, or 44.4%, to RMB720.3 million in 2023, primarily driven by revenue generated from sales of RVs. Our revenue generated from sales of RVs increased by RMB199.5 million, or 66.8%, from RMB298.6 million in 2021 to RMB498.1 million in 2022, due to the increase in sales of RVs mainly driven by increased demand for our products as we have been continuously expanding our sales and distribution network and renewing and broadening our collection of RVs. Our revenue generated from sale of RVs increased by RMB212.6 million, or 42.7%, from RMB498.1 million in 2022 to RMB710.7 million in 2023, primarily due to the increase in sales volume of RVs from 2,127 unit in 2022 to 2,694 unit in 2023, in line with our business growth.

Our total revenue increased by RMB112.5 million, or 36.3%, from RMB309.5 million for the six months ended June 30, 2023 to RMB422.0 million for the six months ended June 30, 2024, primarily driven by revenue generated from sales of RVs. Our revenue from RV sales increased by RMB87.4 million, or 28.2%, from RMB309.5 million for the six months ended June 30, 2023 to RMB396.9 million for the six months ended June 30, 2024. This growth was driven by the strong sales of our RVs and an increase in the average selling price. See "Business — Our Product and Brand — Our Brands" for a breakdown of our sales volume and average selling price by brands. In particular, we achieved a substantial increase in the sales volume of RVs sold through direct sales via self-owned stores and JV stores in the six months ended June 30, 2024, which resulted in a corresponding rise in revenue during the same period. The sales volume of RVs via direct sales increased from 127 units for the six months ended June 30, 2023 to 438 units for the six months ended June 30, 2024. Consequently, revenue from direct sales via self-owned stores and JV stores grew from RMB41.4 million for the six months ended June 30, 2023 to RMB144.4 million for the six months ended June 30, 2024. At the same time, the sales volume of RVs through sales to dealers decreased from 1,063 units for the six months ended June 30, 2023 to 989 units for the six months ended June 30, 2024. Accordingly, revenue generated from sales to dealers decreased from RMB268.2 million for the six months ended June 30, 2023 to RMB252.5 million for the six months ended June 30, 2024.

Additionally, we recorded revenue from sales of pre-owned RVs of RMB23.4 million for the six months ended June 30, 2024, see "Business — Sales and Distribution — Self-owned Stores and JV Stores" for more details of our trade-in option.

Our gross profit increased by RMB32.1 million, or 64.1%, from RMB50.1 million in 2021 to RMB82.2 million in 2022. Our gross profit margin decreased from 16.7% in 2021 to 16.5% in 2022, primarily because cost of sales grew at a faster pace than revenue, driven by an increase in shipping and handling expenses amid COVID-19. Our gross profit increased by RMB98.8 million from RMB82.2 million in 2022 to RMB181.1 million in 2023. Our gross profit margin increased from 16.5% in 2022 to 25.1% in 2023, primarily due to (i) the higher shipping and handling expenses in 2022 as a result of the COVID-19 pandemic, and (ii) the increase in the revenue contribution of RV models which incorporate enhanced customized options and have relatively higher gross profit margin. Our gross profit increased by RMB63.5 million, or 88.9%, from RMB71.4 million for the six months ended June 30, 2023 to RMB134.9 million for the six months ended June 30, 2024. Our gross profit margin increased from 23.1% for the six months ended June 30, 2023 to 32.0% for the six months ended June 30, 2024, primarily because of the higher proportion of our retail sales of RVs through self-owned stores and JV stores during the same period, attributable to the relatively higher retail prices compared to the wholesale prices for dealers.

Our profit for the year increased by RMB7.9 million, or 31.4%, from RMB25.1 million in 2021 to RMB33.0 million in 2022, and further by RMB45.8 million, or 138.8%, to RMB78.8 million in 2023, primarily due to the increased revenue and gross profit, which is partially offset by the increase in selling and distribution expenses, administrative expenses and income tax. Our profit for the period increased by RMB8.8 million, or 27.8%, from RMB31.6 million for the six months ended June 30, 2023 to RMB40.4 million for the six months ended June 30, 2024, primarily due to the increased revenue and gross profit, which is partially offset by the increase in selling and distribution expenses, administrative expenses and income tax.

Consolidated Statements of Financial Position

The following table sets forth our financial position as of the dates indicated:

	As of December 31,			As of June 30,
	2021	2022	2023	2024
	(RMB in thousands)			
ASSETS				
Non-current assets				
Plant and equipment	13,029	15,134	19,189	19,690
Right-of-use assets	53,666	42,559	50,848	82,531
Intangible assets	21	—	—	107
Investment in a joint venture	724	900	—	—
Deferred tax assets	10,646	11,811	14,541	19,289
Total non-current assets	78,086	70,404	84,578	121,617
Current assets				
Inventories	112,443	155,636	242,827	272,374
Trade and other receivables	19,710	45,275	46,138	60,939
Prepayments	2,934	2,689	6,021	11,554
Restricted cash	2,350	4,753	4,889	14,738
Cash and cash equivalents	8,797	21,466	14,345	43,882
Total current assets	146,234	229,819	314,220	403,487

	As of December 31,			As of June 30,
	2021	2022	2023	2024
	(RMB in thousands)			
LIABILITIES				
Current liabilities				
Trade and other payables	101,589	161,656	240,666	274,399
Contract liabilities	4,843	7,596	12,803	7,103
Loans and borrowings	26,686	9,117	31,208	104,588
Lease liabilities	14,469	23,726	29,016	10,646
Current taxation	—	1,251	7,418	10,037
Provisions	914	1,896	2,970	3,079
Total current liabilities	148,501	205,242	324,081	409,852
Net current (liabilities)/assets	(2,267)	24,577	(9,861)	(6,365)
Total assets less current liabilities	75,819	94,981	74,717	115,252
Non-current liabilities				
Loans and borrowings	—	—	408	345
Lease liabilities	46,862	34,995	43,362	75,826
Provisions	1,987	3,032	3,761	3,798
Total non-current liabilities	48,849	38,027	47,531	79,969
NET ASSETS	26,970	56,954	27,186	35,283
CAPITAL AND RESERVES				
Share capital	—	—	—	—
Reserves	26,970	56,954	25,282	32,500
Total equity attributable to equity shareholders of the Company	26,970	56,954	25,282	32,500
Non-controlling interests	—	—	1,904	2,783
TOTAL EQUITY	26,970	56,954	27,186	35,283

As of June 30, 2024, we had net current liabilities of RMB6.4 million, primarily due to (i) trade and other payables of RMB274.4 million, representing an increase of RMB33.7 million compared to RMB240.7 million as of December 31, 2023, and (ii) loans and borrowings of RMB104.6 million, representing an increase of RMB73.4 million compared to RMB31.2 million as of December 31, 2023, partially offset by (iii) inventories of RMB272.4 million, representing an increase of RMB29.6 million compared to RMB242.8 million as of December 31, 2023, (iv) trade and other receivables of RMB60.9 million, representing an increase of RMB14.8 million compared to RMB46.1 million as of December 31, 2023, and (v) cash and cash equivalents of RMB43.9 million, representing an increase of RMB29.6 million compared to RMB14.3 million as of December 31, 2023.

As of December 31, 2023, we had net current liabilities of RMB9.9 million, primarily due to (i) trade and other payables of RMB240.7 million, representing an increase of RMB79.0 million compared to RMB161.7 million as of December 31, 2022, (ii) loans and borrowings of RMB31.2 million, representing an increase of RMB22.1 million compared to RMB9.1 million as of December 31, 2022 and (iii) lease liabilities of RMB29.0 million, representing an increase of RMB5.3 million compared to RMB23.7 million as of December 31, 2022; partially offset by (iv) inventories of RMB242.8 million, representing an increase of RMB87.2 million compared to RMB155.6 million as of December 31, 2022 and (v) trade and other receivables of RMB46.1 million, representing an increase of RMB0.8 million compared to RMB45.3 million as of December 31, 2022.

As of December 31, 2022, we had net current assets of RMB24.6 million, primarily due to (i) inventories of RMB155.6 million, representing an increase of RMB43.2 million compared to RMB112.4 million as of December 31, 2021, (ii) trade and other receivables of RMB45.3 million, representing an increase of RMB25.6 million compared to RMB19.7 million as of December 31, 2021, and (iii) cash and cash equivalents of RMB21.5 million, representing an increase of RMB12.7 million compared to RMB8.8 million as of December 31, 2021; partially offset by (iv) trade and other payables of RMB161.7 million, representing an increase of RMB60.1 million compared to RMB101.6 million as of December 31, 2021, and (v) lease liabilities of RMB23.7 million, representing an increase of RMB9.2 million compared to RMB14.5 million as of December 31, 2021.

As of December 31, 2021, we had net current liabilities of RMB2.3 million, primarily due to (i) trade and other payables of RMB101.6 million, (ii) loans and borrowings of RMB26.7 million and (iii) lease liabilities of RMB14.5 million; partially offset by (iv) inventories of RMB112.4 million and (v) trade and other receivables of RMB19.7 million.

Our net assets increased from RMB27.0 million as of December 31, 2021 to RMB57.0 million as of December 31, 2022, primarily due to profit for the year of RMB33.0 million and capital contribution converted from debts of RMB44.2 million, partially offset by deemed distribution of RMB46.4 million. Our net assets decreased from RMB57.0 million as of December 31, 2022 to RMB27.2 million as of December 31, 2023, primarily due to deemed distribution of RMB112.8 million, partially offset by profit for the year of RMB78.8 million. Our net assets increased from RMB27.2 million as of June 30, 2023 to RMB35.3 million as of June 30, 2024, primarily due to profit for the period of RMB40.4 million and deemed contribution of RMB21.1 million, partially offset by payment arising from the Reorganization of RMB52.8 million.

Selected Items from the Consolidated Statements of Cash Flows

During the Track Record Period and up to the Latest Practicable Date, we have funded our cash requirements principally from cash generated from our sales of RVs. As of December 31, 2021, 2022 and 2023 and June 30, 2024, we had cash and cash equivalents of RMB8.8 million, RMB21.5 million, RMB14.3 million and RMB43.9 million, respectively.

The following table sets forth a summary of our cash flows for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,	
	2021	2022	2023	2023	2024
				(Unaudited)	
	(RMB in thousands)				
Net cash generated from operating activities	19,409	57,784	119,770	108,160	35,554
Net cash used in investing activities	(4,499)	(5,409)	(2,703)	(1,974)	(3,141)
Net cash used in financing activities	(8,970)	(39,881)	(124,801)	(114,550)	(2,545)
Net increase/(decrease) in cash and cash equivalents	5,940	12,494	(7,734)	(8,364)	29,868
Cash and cash equivalents as of January 1	3,101	8,797	21,466	21,466	14,345
Effect of foreign exchange rate changes	(244)	175	613	325	(331)
Cash and cash equivalents at end of the year/period	8,797	21,466	14,345	13,427	43,882

Key Financial Ratios

The following table sets forth our key financial ratios as of the dates or for the periods indicated:

	As of/For the year ended December 31			As of/ For the six months ended June 30,	
	2021	2022	2023	2023	2024
				(Unaudited)	
Gross profit margin(1)	16.7%	16.5%	25.1%	23.1%	32.0%
Net profit margin(2)	8.4%	6.6%	10.9%	10.2%	9.6%
Return on equity(3)	93.0%	78.5%	187.2%	N/A	258.9%
Return on total assets(4)	11.2%	12.6%	22.5%	N/A	17.5%
Adjusted net profit margin (non-HKFRS measure)(5)	8.4%	6.6%	10.9%	10.2%	13.2%
Current ratio(6)	1.0	1.1	1.0	N/A	1.0
Quick ratio(7)	0.2	0.4	0.2	N/A	0.3
Debt-to-equity ratio(8)	1.0	0.2	1.2	N/A	3.0

Notes:

(1) Gross profit margin is calculated using gross profit divided by revenue and multiplied by 100%.

(2) Net profit margin is calculated using profit for the year/period divided by revenue and multiplied by 100%.

(3) Return on equity ratio is calculated using profit for the year as a percentage of the average balance of total equity at the beginning and the end of the year and multiplied by 100%. The ratio for the six months ended June 30, 2024 is annualized by dividing the profit for the period by the number of days in the period, multiplying by 365, and then dividing by the average balance of total equity at the beginning and the end of the period, with the result expressed as a percentage. The annualized ratio is solely for the purpose of being comparable to prior years, and may not be indicative of actual results.

(4) Return on total assets ratio is calculated using profit for the year as a percentage of the average balance of total assets at the beginning and the end of the year and multiplied by 100%.The ratio for the six months ended June 30, 2024 is annualized by dividing the profit for the period by the number of days in the period, multiplying by 365, and then dividing by the average balance of total assets at the beginning and the end of the period, with the result expressed as a percentage. The annualized ratio is solely for the purpose of being comparable to prior years, and may not be indicative of actual results.

(5) Adjusted net profit margin (non-HKFRS measure) is calculated using adjusted profit for the year/period (non-HKFRS measure) divided by revenue and multiplied by 100%. For details of the adjusted profit for the year/period (non-HKFRS measure), see "Financial Information — Non-HKFRS Measures."

(6) Current ratio is calculated using total current assets divided by total current liabilities.

(7) Quick ratio is calculated using total current assets less inventories divided by total current liabilities.

(8) Debt-to-equity ratio is calculated using total debt (being the carrying balance of loans and borrowings) divided by total equity.

Our return on equity was 78.5% in 2022, compared to 93.0% in 2021, primarily due to the net increase in average balance of total equity. In 2022, all the remaining unsecured related party loans were converted into capital to Regent Company, resulting in a substantial increase in our total equity. Our return on equity increased to 187.2% in 2023, primarily due to the significant increase in our profit and a net decrease in average balance of total equity as a result of larger amount of deemed distribution for the year. Our annualized return on equity increased to 258.9% for the six months ended June 30, 2024, primarily due to a larger increase in our annualized profit compared to total equity.

Our return on total assets remained relatively stable at 11.2% in 2021 and 12.6% in 2022. Our return on total assets increased to 22.5% in 2023, primarily attributable to the significant increase in our profit for the year. Our annualized return on total assets decreased to 17.5% for the six months ended June 30, 2024, primarily due to a larger increase in our total assets compared to profit.

Our debt-to-equity ratio decreased from 1.0 as of December 31, 2021 to 0.2 as of December 31, 2022, primarily because all the remaining unsecured related party loans were converted into capital to Regent Company in 2022. Our debt-to-equity ratio increased from 0.2 as of December 31, 2022 to 1.2 as of December 31, 2023, primarily due to (i) increase in total debt, driven by an increase in secured short-term loans and borrowings, and (ii) decrease in total equity as a result of deemed distribution. Our debt-to-equity ratio increased to 3.0 as of June 30, 2024, primarily due to an increase in total debt, driven by an increase in unsecured short-term related party loans and by dividing the profit for the period by the number of days in the same period and then multiplying by 365, an increase in secured short-term loans and borrowings, partially offset by an increase in total equity.

OFFERING STATISTICS

The numbers in the following table are based on the assumptions that (i) the Global Offering has been completed and 240,000,000 Shares are issued and sold in the Global Offering, (ii) no exercise of the Over-allotment Option and the options granted under the Pre-IPO Share Option Scheme, and (iii) 960,000,000 Shares are issued following the completion of the Global Offering.

	Based on an Offer Price of HK$1.24 per Share	**Based on an Offer Price of HK$1.64 per Share**
Market capitalization after completion of the Global Offering(1)	HK$1,190.4 million	HK$1,574.4 million
Unaudited pro forma adjusted net tangible assets per Share(2)	HK$0.31	HK$0.41

Notes:

(1) The calculation of market capitalization is based on 960,000,000 Shares expected to be in issue following the completion of the Global Offering.

(2) The unaudited pro forma adjusted net tangible assets attributable to equity shareholders of our Company per Share is on the basis that 954,049,200 Shares were in issue immediately following the Capitalization Issue and Global Offering (excluding 5,950,800 shares, representing 826,500 shares adjusted by the Capitalization Issue, held by employee shareholding platform for the Pre-IPO Share Option Scheme) assuming the Global Offering had completed on June 30, 2024 and the Over-allotment Option and the options granted under the Pre-IPO Share Option Scheme are not exercised.

OUR GROUP OF CONTROLLING SHAREHOLDERS

Our Group was founded by Mr. Miao, who is an executive Director, the chairman of the Board and the chief executive officer of our Group. As of the Latest Practicable Date, the group of Controlling Shareholders led by Mr. Miao comprises Mr. Miao himself, Ms. Wang (spouse of Mr. Miao), Ms. Miao (daughter of Mr. Miao and Ms. Wang), Snowy Limited, M.X.Z Holdings, Miao Wanyi Holdings, Miao Wanyi Trust, WDH Holdings and MWY Holdings. Our group of Controlling Shareholders, through Snowy Limited as the direct shareholder of our Company, held approximately 99.17% of the total issued share capital of our Company. Snowy Limited is owned as to (i) 1% by M.X.Z Holdings (a company wholly-owned by Mr. Miao) and (ii) 99% by Miao Wanyi Holdings (a company wholly-owned by the Miao Wanyi Trust, which was established by Mr. Miao as the settlor of the trust, with WDH Holdings, a company wholly-owned by Ms. Wang, and MWY Holdings, a company wholly-owned by Ms. Miao, as the beneficiaries of the trust).

Immediately following the completion of the Capitalization Issue and the Global Offering (assuming the Over-allotment Option is not exercised), our group of Controlling Shareholders will, collectively, continue to control in aggregate approximately 74.4% of our voting power and hence will remain as our Controlling Shareholders upon Listing.

For further details of our Controlling Shareholders, see "Relationship with Our Controlling Shareholders — Our Group of Controlling Shareholders."

Our Controlling Shareholders have confirmed that as of the Latest Practicable Date, none of them was interested in any business, other than our business, which competes or is likely to compete, either directly or indirectly, with our business, which requires disclosure pursuant to Rule 8.10 of the Listing Rules.

CONNECTED TRANSACTIONS

We have entered into an one-off connected transaction, and expect to continue, certain transactions that will constitute partially exempt continuing connected transactions of our Company under the Listing Rules upon Listing as described in the section headed "Connected Transactions" of this Prospectus. Our Directors consider that strict compliance with the applicable requirement under the Listing Rules would be impracticable and may lead to unnecessary administrative costs on our Company. Accordingly, we have applied for, and the Stock Exchange has granted to us, a waiver from strict compliance with the applicable requirements under Chapter 14A of the Listing Rules once the Shares are listed on the Stock Exchange in respect of such partially-exempt continuing connected transactions. For further details, see "Connected Transactions."

DIVIDEND

During the Track Record Period, no dividend has been paid or declared by our Company.

Our Company currently does not have any dividend policy. Our Board of Directors may declare dividends in the future after taking into account our results of operations, financial condition, cash requirements and availability and other factors as it may deem relevant at such time. Any declaration and payment of dividends will be subject to our constitutional documents and applicable laws. Our shareholders at a general meeting must approve any declaration of dividends, which must not exceed the amount recommended by our Board of Directors. In addition, our Directors may from time to time pay such interim dividends as our Board of Directors considers to be justified by our profits and overall financial requirements, or special dividends of such amounts and on such dates as they think appropriate. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our future declaration of dividends may or may not reflect our historical declarations of dividends and will be at the absolute discretion of our Board of Directors.

RISK FACTORS

Our business and the Global Offering involved certain risks, which are set out in the section headed "Risk Factors" in this Prospectus. You should read that section in its entirety before you decide to invest in the Offer Shares. Some of the major risks we face include:

- Our business is subject to risks associated with changes in the general macroeconomic, political, social and regulatory conditions in the jurisdictions where we operate.
- Changes in customer demand and preferences may affect our financial results.
- Our RVs may not perform in line with customers' expectations and may contain defects. We could also suffer losses and adverse publicity stemming from any accident involving our RVs.
- Our business and growth strategies are subject to uncertainties and risks, including those relating to customer acceptance and commercial success of our strategies, and significant capital expenditure and investments for new product and service offerings, which may materially and adversely affect our business, financial condition, results of operations and prospects.
- Our business depends on the performance of independent third-party authorized dealers. The loss of our third-party dealers or an increase in third-party dealer consolidations and/or concentration could have a material negative effect on our business.
- If we suffer substantial interruptions to our production activities to the extent that we are not able to compensate such interruptions by increasing the production capacity of our remaining production facilities, our business, financial condition, results of operations and prospects could be materially and adversely affected.
- We face risks associated with our supply chain. If we experience any delay or interrupted supply, or if the quality of the supplies does not meet the required standards, our business, financial condition, results of operations and prospects could be materially and adversely affected.
- As a player in the RV industry in Australasia, we are subject to significant competition.
- We are subject to significant laws, regulations and directives in countries where we operate. Increasing compliance risks and changes in government regulations imposing additional requirements and restrictions on our operations could increase our operating costs, result in service delays and disruptions, and adversely affect our business, financial conditions, results of operation and prospects.

- Failure to comply with relevant laws, regulations and rules on occupational health and safety could subject us to investigations and administrative penalties, which may adversely affect our business, results of operations and financial condition.

- Our services, including those provided through third parties, may not be generally accepted by our customers. If we are unable to provide or arrange adequate services for our customers, our business and reputation may be materially and adversely affected.

- We may not succeed in preserving and enhancing the value of our brand which we depend on to drive demand and revenues, and in remaining competitive against other premium lifestyle alternatives.

LISTING EXPENSES

Listing expenses primarily include professional fees, underwriting commission, and other fees incurred in connection with the Global Offering. We estimate that our listing expenses will be approximately HK$53.0 million, representing approximately 15.3% of the gross proceeds from the Global Offering (assuming an Offer Price of HK$1.44 per Share (being the mid-point of the indicative Offer Price range)), which consist of (i) underwriting-related expenses (including but not limited to commissions and fees) of approximately HK$13.8 million, and (ii) non-underwriting-related expenses of approximately HK$39.2 million, including (a) fees and expenses of legal advisors and accountants of approximately HK$23.5 million, and (b) other fees and expenses of approximately HK$15.7 million. Approximately HK$22.2 million of the listing expenses is directly attributable to the issue of our Shares to the public and is expected to be recognized directly as a deduction from equity upon the Listing, approximately HK$16.8 million has been expensed during the Track Record Period, and the remaining amount of approximately HK$14.0 million of the listing expenses is expected to be expensed prior to the Listing.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK$292.6 million, after deducting underwriting commissions, fees and estimated expenses borne by us in connection with the Global Offering, assuming the Over-allotment Option is not exercised and based on the Offer Price of HK$1.44 per Share (being the mid-point of the indicative Offer Price range of HK$1.24 and HK$1.64).

We currently intend to apply these net proceeds for the following purposes:

- Approximately 63.3%, or HK$185.3 million, will be allocated to construct a new production base and upgrade our existing production facilities;

- Approximately 16.7%, or HK$48.7 million, will be used to scale up our business operations through strengthening our sales and distribution network, in order to further expand our customer base and enhance our customer stickiness, and further amplify our market share in the RV industry in Australasia;

- Approximately 10.0%, or HK$29.3 million, will be used for our continued product research and development efforts; and
- Approximately 10.0%, or HK$29.3 million, will be allocated to our working capital and general corporate purposes.

For details, see "Future Plans and Use of Proceeds."

HISTORICAL IMPACT OF THE COVID-19 PANDEMIC

Since the end of December 2019, the outbreak of a novel strain of coronavirus, or COVID-19, has affected the global economy. In response to the COVID-19 pandemic, including the recurrence of the Omicron variant of COVID-19 since the end of 2021 across the world, governments had implemented numerous measures to contain the spread of the virus, including mandatory quarantine, closure of workplaces and facilities, travel bans and restrictions and stay-at-home orders.

We encountered various challenges due to the impact of the COVID-19. For instance, certain of our employees were subject to quarantine requirements imposed on particular areas and were not allowed to work onsite due to pandemic prevention and control policies during the Track Record Period. In addition, the global shipping and logistics systems have been negatively affected resulting from the special or temporary restrictions or closings of facilities or transportation networks by governments in response to the pandemic, which resulted in the increases in our shipping and handling expenses.

Despite the impact mentioned above, neither our operations nor our financial performance was materially and adversely affected by the COVID-19 pandemic during the Track Record Period. Moreover, as the global economy recovers post-pandemic, consumers are expected to have more disposable income for leisure and travel expenditures, and are motivated to subscribe to premium product and service offerings and an enhanced traveling experience in exchange for enhanced travel experiences, expanded space and additional privacy and comfort. According to Frost & Sullivan, the Australian RV market saw significant growth between 2021 and 2023, particularly notable in 2022, driven by a remarkable 9.2% increase for imported RVs. In addition, our revenues increased by 66.4% from RMB299.7 million in 2021 to RMB498.8 million in 2022, and further increased by 44.4% to RMB720.3 million in 2023, with corresponding gross profit margins of 16.7%, 16.5% and 25.1% for those years, respectively. Our revenues increased from RMB309.5 million for the six months ended June 30, 2023 to RMB422.0 million for the six months ended June 30, 2024, with corresponding gross profit margins of 23.1% and 32.0% for those periods. In 2021, 2022 and 2023 and for the six months ended June 30, 2024, we delivered an aggregate of 1,330, 2,127, 2,694 and 1,427 RVs to our customers, respectively, representing an increase of 59.9% from 2021 to 2022 and 26.7% from 2022 to 2023.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

For the ten months ended October 31, 2024, we delivered an aggregate of 2,508 RVs to our customers.

As of the Latest Practicable Date, the aggregate value of contracts in our backlog was approximately A$76.6 million (equivalent to RMB346.3 million). The following table sets forth the outstanding contract value of projects in our backlog by brands as of the Latest Practicable Date.

	As of the Latest Practicable Date			
	RV Unit	A$ in thousands	Equivalent to RMB in thousands	%
Snowy River	1,267	70,629	319,278	92.3
Regent	13	868	3,926	1.1
NEWGEN	90	5,053	22,841	6.6
Total	1,370	76,550	346,045	100.0

In addition, we estimate that our revenue from sales of Regent RVs will decrease significantly in 2024, primarily because we plan to gradually phase down the Discoverer series under Regent, and that our revenue from sales of NEWGEN RVs will decrease in 2024, primarily due to a planned price reductions to attract younger and more cost-conscious consumers. Furthermore, we estimate that our revenue from sales of Snowy River RVs will increase in 2024, fueled by strong market demand, particularly due to the increasing popularity of our SRC and SRT series, as well as significant revenue contributions from the newly launched models under the SRP series.

As part of our strategy of developing new towable ERV models, in December 2024, 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, and the research and development of which is expected to commence in 2025. With such strategic collaboration, we will be able to leverage Guoxuan's expertise and marketing resources to promote our new towable ERV models in the future.

We expect that our profit for the year will decrease in 2024, primarily due to the listing expenses relating to this Global Offering of the Company.

Recent Regulatory Development

On February 17, 2023, the China Securities Regulatory Commission, or the CSRC released several regulations regarding the management of filings for overseas offerings and listings by domestic companies, including the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) ("**Trial Measures**") together with 5 supporting guidelines (together with the Trial Measures, collectively referred to as the "**New Regulations on Filing**"), which was implemented on March 31, 2023. Under New Regulations on Filing, PRC domestic companies that seek to offer and list securities in overseas markets, either in direct or indirect means, are required to file the required documents with the CSRC within three working days after its application for overseas listing is submitted. We have submitted the filing to the CSRC on May 30, 2024, which was accepted by the CSRC on June 12, 2024. We completed the filing procedure with, and obtained approval from, the CSRC on September 6, 2024. For details, see "Regulatory Overview — Laws and Regulations Relating to Overseas Securities Offering and Listings."

No Material Adverse Change

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, our Directors confirm that, up to the date of this Prospectus, there had been no material adverse change in our financial or operating position or prospects since June 30, 2024, which is the end date of the periods reported on in the Accountants' Report set out in Appendix I to this Prospectus, and there had been no event since June 30, 2024 and up to the date of this Prospectus that would materially affect the information as set out in the Accountants' Report included in Appendix I to this Prospectus.

In this Prospectus, unless the context otherwise requires, the following terms shall have the following meanings. Certain technical terms are explained in the section headed "Glossary of Technical Terms" in this Prospectus.

"30%-controlled company"	has the meaning ascribed thereto under the Listing Rules
"Accountants' Report"	the Accountants' Report for the three years ended December 31, 2023, the text of which is set out in Appendix I to this Prospectus
"affiliate"	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	the Accounting and Financial Reporting Council of Hong Kong
"Articles" or "Articles of Association"	the amended and restated articles of association of our Company, conditionally adopted on November 22, 2024 with effect from the Listing Date, and as amended from time to time, a summary of which is set out in the section headed "Summary of the Constitution of the Company and Cayman Islands Company Law" in Appendix III to this Prospectus
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Australian dollars" or "A$" or "AUD"	Australian dollars, the lawful currency of Australia
"Australian Legal Advisor"	Hogan Lovells, our legal advisor as to Australian laws
"Board" or "Board of Directors"	the board of directors of our Company
"business day"	any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are generally open for normal banking business
"Capital Market Intermediaries"	the capital market intermediaries participating in the Global Offering and has the meaning ascribed thereto under the Listing Rules

"Capitalization Issue"	the allotment and issue of 620,000,000 Shares to be made upon the capitalization of certain sums standing to the credit of the share premium account of our Company as further described in "Statutory and General Information — A. Further Information about our Group — 4. Resolutions of Our Shareholders in Relation to the Global Offering" in Appendix IV to this Prospectus
"Captivating Caravans"	Captivating Caravans Pty Ltd, a proprietary company limited by shares registered in Australia on September 6, 2018, and an indirect wholly-owned subsidiary of our Company
"Cayman Companies Act" or "Companies Act"	the Companies Act (As Revised) of the Cayman Islands, as amended or supplemented or otherwise modified from time to time
"Cayman Islands Legal Advisor"	Harney Westwood & Riegels, our legal advisor as to Cayman Islands laws
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"China" or "PRC"	the People's Republic of China and for the purposes of this Prospectus only, except where the context requires otherwise, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Companies (Winding Up and Miscellaneous Provisions) Ordinance" or "Companies (WUMP) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company", or "our Company"	New Gonow Recreational Vehicles Inc. (新吉奥房车有限公司), an exempted company incorporated in the Cayman Islands with limited liability on May 17, 2022
"Company Law"	the Company Law of the PRC (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
"connected person(s)"	has the meaning ascribed to it under the Listing Rules

"connected transaction(s)"	has the meaning ascribed to it under the Listing Rules
"Controlling Shareholders"	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Mr. Miao, Ms. Wang, Ms. Miao, Snowy Limited, M.X.Z Holdings, Miao Wanyi Holdings, Miao Wanyi Trust, WDH Holdings and MWY Holdings. For further details, see "Relationship with Our Controlling Shareholders"
"COVID-19"	coronavirus disease 2019, a coronavirus known to cause contagious respiratory illness
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"Daide Longtree"	Zhejiang Daide Longtree Automobile Co., Ltd. (浙江戴德隆翠汽車有限公司), a limited liability company established under the laws of the PRC on February 19, 2014. Daide Longtree was one of the major operating entities of our Group's business during the Track Record Period and prior to the Reorganization. For further details, see "History, Reorganization and Corporate Structure — Corporate Development — Historical operation under Daide Longtree" and "History, Reorganization and Corporate Structure — Reorganization — Business acquisition from Daide Longtree"
"Daide Power Machinery"	Zhejiang Daide Power Machinery Co., Ltd. (浙江戴德隆翠房車科技有限公司), a limited liability company established under the laws of the PRC on December 17, 2010. Daide Power Machinery is an affiliate of Daide Longtree, mainly engaging in trading business
"Director(s)"	the director(s) of our Company
"EIT Law"	Enterprise Income Tax Law of the PRC
"Extreme Conditions"	the occurrence of "extreme conditions" as announced by any government authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below
"FIL"	Foreign Investment Law (中華人民共和國外商投資法) of the PRC

"Financing Partner"	De Lage Landen Pty Limited, an independent third-party financial institution incorporated in Australia that provides financing programs in Australia
"FINI" or "Fast Interface for New Issuance"	an online platform operated by HKSCC that is mandatory for admission to trading and, where applicable, the collection and processing of specified information on subscription in and settlement for all new listings
"Flourishing"	Flourishing Emerald International Limited, a limited company incorporated in Hong Kong on December 2, 2011 and is a company indirectly wholly owned by Mr. Miao
"Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., an independent global market research and consulting company
"Frost & Sullivan Report"	the independent industry report prepared by Frost & Sullivan as commissioned by us
"Global Offering"	the Hong Kong Public Offering and the International Offering
"GONOW Group"	Zhejiang Gonow and its subsidiaries, which refer to entities previously being its subsidiaries, excluding our Group
"Green RV"	Green RV Pty Ltd, a proprietary company limited by shares registered in Australia on June 13, 2018 and the JV partner of our subsidiary, Leisure Lion
"Group", "our Group", "we", or "us"	our Company and its subsidiaries including where the context otherwise requires, any companies and businesses transferred to our Group as part of the Reorganization (as the case may be)
"**HK eIPO White Form**"	the application of Hong Kong Offer Shares for issue in the applicant's own name by submitting applications online through the designated website at **www.hkeipo.hk**
"**HK eIPO White Form** Service Provider"	the **HK eIPO White Form** service provider designated by the Company, as specified on the designated website at **www.hkeipo.hk**
"HKAS"	Hong Kong Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants
"HKFRS"	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
"HKICPA"	Hong Kong Institute of Certified Public Accountants

"HKSCC"	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"HKSCC EIPO"	the application for the Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your designated HKSCC Participant's stock account through causing HKSCC Nominees to apply on your behalf, including by instructing your broker or custodian who is a HKSCC Participant to give **electronic application instructions** via HKSCC's FINI system to apply for the Hong Kong Offer Shares on your behalf
"HKSCC Nominees"	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
"HKSCC Operation Procedures"	the operational procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to the operation and functions of CCASS, as from time to time in force
"HKSCC Participant"	a participant admitted to participate in CCASS as a direct clearing participant, a general clearing participant or a custodian participant
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the People's Republic of China
"Hong Kong dollars" or "HK dollars" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong Offer Shares"	the 24,000,000 Shares initially being offered by our Company for subscription at the Offer Price pursuant to the Hong Kong Public Offering (subject to reallocation as described in the section headed "Structure of the Global Offering" in this Prospectus)
"Hong Kong Public Offering"	the offer of the Hong Kong Offer Shares for subscription by the public in Hong Kong at the Offer Price (plus brokerage of 1%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%) on the terms and subject to the conditions described in this Prospectus, as further described in the section headed "Structure of the Global Offering — The Hong Kong Public Offering" in this Prospectus

"Hong Kong Share Registrar"	Tricor Investor Services Limited
"Hong Kong Underwriters"	the underwriters of the Hong Kong Public Offering as listed in the section headed "Underwriting — Hong Kong Underwriters" in this Prospectus
"Hong Kong Underwriting Agreement"	the underwriting agreement, dated December 30, 2024, relating to the Hong Kong Public Offering, entered into among our Company, the Sponsor-Overall Coordinator, Mr. Miao, Snowy Limited, M.X.Z Holdings, and the Hong Kong Underwriters, as further described in the section headed "Underwriting — Underwriting Arrangements and Expenses — The Hong Kong Public Offering" in this Prospectus
"independent third party(ies)"	any entity or person who is not a connected person of our Company within the meaning ascribed thereto under the Listing Rules
"International Offer Shares"	the 216,000,000 Shares being initially offered by the Company for subscription at the Offer Price under the International Offering together, where relevant, with any additional Shares that may be issued pursuant to any exercise of the Over-allotment Option, subject to reallocation as described under the section headed "Structure of the Global Offering" in this Prospectus
"International Offering"	the offer of the International Offer Shares at the Offer Price outside the United States in offshore transactions in accordance with Regulation S or any other available exemption from registration under the U.S. Securities Act, as further described in the section head headed "Structure of the Global Offering" in this Prospectus
"International Underwriters"	the underwriters of the International Offering listed in the International Underwriting Agreement
"International Underwriting Agreement"	the international underwriting agreement relating to the International Offering and expected to be entered into by, *inter alia*, our Company, the Sponsor-Overall Coordinator, Mr. Miao, Snowy Limited, M.X.Z Holdings and the International Underwriters on or about the Price Determination Date, as further described in the section headed "Underwriting — Underwriting Arrangements and Expenses — The International Offering"

"investment payback period"	the amount of time it takes for a store to reach profit break-even point, i.e., when its total revenue equal or exceeds total costs
"Joint Bookrunners"	the joint bookrunners as named in "Directors and Parties Involved in the Global Offering" in this prospectus
"Joint Global Coordinators"	the joint global coordinators as named in "Directors and Parties Involved in the Global Offering" in this prospectus
"Joint Lead Managers"	the joint lead managers as named in "Directors and Parties Involved in the Global Offering" in this prospectus
"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, as of the Latest Practicable Date, 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
"Latest Practicable Date"	December 23, 2024, being the latest practicable date for ascertaining certain information in this Prospectus before its publication
"Leisure Lion"	Leisure Lion Pty Ltd, a proprietary company limited by shares registered in Australia on July 11, 2019, initially a joint venture with equal ownership between our Company and Green RV, and then a 51%-owned subsidiary of our Company since September 13, 2023
"Listing"	the listing of the Shares on the Main Board
"Listing Committee"	the listing committee of the Stock Exchange
"Listing Date"	the date, expected to be on or about January 13, 2025, on which the Shares are listed and dealings in the Shares are permitted to commence on the Main Board
"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
"LONGTREE RV"	LONGTREE Recreational Vehicles Holdings Limited, a company incorporated under the laws of the BVI on November 13, 2023 and a direct wholly-owned subsidiary of our Company

"Longtree Zhejiang"	Longtree (Zhejiang) Automotive Co., Ltd. (隆翠(浙江)汽車有限公司), a limited liability company established under the laws of the PRC on September 3, 2013 and a subsidiary of the GONOW Group
"M.X.Z Holdings"	M.X.Z Holdings Limited, a company incorporated under the laws of the BVI on May 12, 2022 and one of our Controlling Shareholders
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
"Miao Wanyi Holdings"	MIAO Wanyi Holdings Limited, a BVI business company incorporated under the laws of the BVI on May 6, 2024, and one of our Controlling Shareholders
"Miao Wanyi Trust"	a discretionary trust named the MIAO Wanyi Trust established by Mr. Miao (as the settlor) and Dedao Trust Limited (as the trustee), for the benefit of WDH Holdings and MWY Holdings, each of which is a company indirectly wholly-owned by Ms. Wang and Ms. Miao, respectively. Miao Wanyi Trust is one of our Controlling Shareholders
"MOFCOM" or "Ministry of Commerce"	the Ministry of Commerce of the PRC (中華人民共和國商務部)
"Mr. Miao"	Mr. Miao Xuezhong (繆雪中), our founder, chairman of the Board, executive Director, chief executive officer and one of our Controlling Shareholders
"Ms. Miao"	Ms. Miao Wanyi (繆婉漪), Mr. Miao's and Ms. Wang's daughter, and one of our Controlling Shareholders
"Ms. Wang"	Ms. Wang Danhong (王丹紅), Mr. Miao's spouse and one of our Controlling Shareholders
"MWY Holdings"	MWY Holdings Limited, a company incorporated under the laws of the BVI on June 20, 2023, and is a company directly wholly-owned by Ms. Miao. MWY Holdings is one of our Controlling Shareholders
"NDRC"	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)

"New Gonow BVI"	New Gonow Recreational Vehicles Holdings Limited, a company incorporated under the laws of the BVI on May 24, 2022 and a direct wholly-owned subsidiary of our Company
"New Gonow HK"	New Gonow Recreational Vehicles Limited, a limited company incorporated in Hong Kong on November 23, 2023, and an indirect wholly-owned subsidiary of our Company
"Offer Price"	the final offer price per Share (exclusive of any brokerage fee, SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee) of not more than HK$1.64 and expected to be not less than HK$1.24 at which the Offer Shares are to be subscribed for and issued pursuant to the Global Offering, to be determined as described in section headed "Structure of the Global Offering" in this Prospectus
"Offer Share(s)"	the Hong Kong Offer Share(s) and the International Offer Share(s)
"Over-allotment Option"	the option we expect to grant to the International Underwriters, exercisable by the Overall Coordinators (for themselves and on behalf of the International Underwriters), pursuant to which our Company may be required to allot and issue up to 36,000,000 additional Shares (representing in aggregate 15% of the initial Offer Shares) to, among other things, cover over-allocations in the International Offering, if any, details of which are described in the section headed "Structure of the Global Offering — The International Offering — Over-allotment Option" in this Prospectus
"Overall Coordinators"	Huatai Financial Holdings (Hong Kong) Limited, CLSA Limited and CMB International Capital Corporation Limited
"PBOC"	People's Bank of China (中國人民銀行), the central bank of the PRC
"PRC Legal Advisor"	Hylands Law Firm, our legal advisor as to PRC laws
"Pre-IPO Share Option Scheme"	the employee stock option scheme adopted on May 24, 2024
"Price Determination Agreement"	the agreement to be entered into by our Company and the Overall Coordinators (for themselves and on behalf of the Underwriters) on or about the Price Determination Date to record and fix the Offer Price

"Price Determination Date"	the date, expected to be on or about January 9, 2025 (Hong Kong time), on which the Offer Price is to be fixed by an agreement between the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company
"Projecta"	a renowned brand name of battery and battery power products owned by Brown & Watson International Pty. Ltd.
"Prospectus"	this Prospectus being issued in connection with the Hong Kong Public Offering
"R&D"	research and development
"Regent Company"	Regent RV Pty Ltd, a proprietary company limited by shares registered in Australia on September 2, 2014, and a direct wholly-owned subsidiary of our Company
"Regulation S"	Regulation S under the U.S. Securities Act
"Reorganization"	the reorganization arrangement undertaken by our Group, which is described in details in "History, Reorganization and Corporate Structure"
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SAMR"	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
"SAT"	the State Taxation Administration of the PRC (中華人民共和國國家税務總局)
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO" or "Securities and Futures Ordinance"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented, or otherwise modified from time to time
"Shanghai Hongwan Technology"	Shanghai Hongwan Technology L.P.* (上海紅婉科技合夥企業(有限合夥)), a limited liability partnership established in the PRC on June 7, 2023, which is held by Ms. Wang (as a general partner) and Ms. Miao (as a limited partner) as to 55% and 45%, respectively

"Shangqiu Jishun"	Shangqiu Jishun Auto Parts Co., Ltd.* (商丘吉順汽車零部件有限公司), a limited liability company established in the PRC on March 19, 2021. Shangqiu Jishun is an indirect wholly-owned subsidiary of Daide Longtree, mainly engaging in RV parts manufacturing
"Share(s)"	ordinary share(s) in the share capital of our Company with a par value of US$0.0001 each
"Shareholder(s)"	holder(s) of our Share(s)
"Snowy Limited"	Snowy.M Holdings Limited, a company incorporated under the laws of the BVI on May 13, 2022
"Snowy River RV Company"	Snowy River RV Pty Ltd, a proprietary company limited by shares registered in Australia on December 23, 2015, and an indirect wholly-owned subsidiary of our Company
"Sole Sponsor" or "Sponsor"	Huatai Financial Holdings (Hong Kong) Limited
"Sponsor-Overall Coordinator"	Huatai Financial Holdings (Hong Kong) Limited
"Stabilizing Manager"	Huatai Financial Holdings (Hong Kong) Limited
"State Council"	State Council of the PRC (中華人民共和國國務院)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed thereto in section 15 of the Companies Ordinance
"substantial shareholders"	has the meaning ascribed to it in the Listing Rules
"Takeovers Code"	The Code on Takeovers and Mergers issued by the SFC, as amended, supplemented or otherwise modified from time to time
"Track Record Period"	the three years ended December 31, 2023 and the six months ended June 30, 2024
"Transfer Pricing Advisor"	Shanghai Jianjie Management Consulting Co., Ltd* (上海筧傑管理顧問有限公司), the independent tax advisor to our Company with respect to transfer pricing arrangement of our Group
"U.S. dollars" or "US$" or "USD"	United States dollars, the lawful currency of the United States

"U.S. Securities Act"	United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
"Underwriters"	the Hong Kong Underwriters and the International Underwriters
"Underwriting Agreements"	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
"United RV"	United RV Pty Ltd, a proprietary company limited by shares registered in Australia on June 6, 2023, and a subsidiary of our Company
"United States" or the "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"VAT"	value-added tax
"WDH Holdings"	WDH Holdings Limited, an exempted company incorporated under the laws of the BVI on June 20, 2023, and is directly wholly-owned by Ms. Wang. WDH Holdings is one of our Controlling Shareholders
"Xing Longtree"	Xing Longtree Automotive Technology (Zhejiang) Co., Ltd. (興隆翠汽車科技(浙江)有限公司), a limited liability company established under the laws of the PRC on January 15, 2024, and an indirect wholly-owned subsidiary of our Company
"XPS"	X-ray photoelectron spectroscopy, also known as electron spectroscopy for chemical analysis, is a highly surface-sensitive, quantitative, chemical analysis technique that can be used to solve a wide range of materials problems. XPS is the measurement of photoelectrons ejected from the surface of a material that has been irradiated with X-rays
"Zhejiang Gonow"	Zhejiang Gonow Investment Co., Ltd. (浙江新吉奧控股集團有限公司), a limited liability company established under the law of the PRC on November 6, 2009
"%"	percent

In this Prospectus, the terms "associate," "close associate," "connected person," "core connected person," "connected transaction," "controlling shareholder" and "substantial shareholder" shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

Certain amounts and percentage figures included in this Prospectus have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

For ease of reference, the names of the PRC established companies or entities, laws or regulations have been included in this Prospectus in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail.

In this Prospectus, "" denotes translation of certain natural persons, legal persons, enterprises, governmental authorities, institutions, entities, organizations, departments, facilities, laws and regulations into Chinese or English (as the case maybe), etc., or another language included in this Prospectus for identification purposes only. In the event of any inconsistency, the Chinese names or the names in their original languages prevail.*

This glossary contains definitions of certain terms used in this Prospectus in connection with our Company and our business. Some of these may not correspond to standard industry definitions or usage of these terms.

"Australasia"	for the purposes of this Prospectus only, comprising Australia and New Zealand
"camper trailer"	a type of towable RV that is more compact and designed to be lightweight and versatile, with foldable parts and expandable sections to maximize space when parked
"camping"	an outdoor recreational activity that involves staying overnight in a shelter, such as a tent, a recreational vehicle, or a cabin, away from urban areas, which typically includes activities like hiking, fishing, and enjoying nature
"ERV"	an electric RV, a recreational vehicle powered by electricity, encompassing both towable and motorized variants
"motorized RV"	a type of recreational vehicle that is self-propelled, featuring its own engine and driving capabilities, eliminating the need for a separate towing vehicle
"pop-tops"	a type of towable RV characterized by a roof that can be raised during use to increase headroom and lowered during travel to reduce wind resistance and improve mobility
"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
"standard caravan"	a type of towable RV that offers a rigid, enclosed structure, which is designed to provide ample living space and amenities, such as sleeping areas, a kitchen, and often a bathroom
"total cost of ownership" or "TCO"	comprehensive assessment of the complete cost of RV over its lifespan, including the purchase price, maintenance and repair costs, insurance, fuel expenses, depreciation, and any other costs associated with owning and operating the RV throughout its life
"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

Certain statements in this Prospectus are forward-looking statements that are, by their nature, subject to significant risks and uncertainties. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "will," "expect," "anticipate," "estimate," "believe," "going forward," "ought to," "may," "seek," "should," "intend," "plan," "projection," "could," "vision," "goals," "objective," "target," "schedule," "predict," "aim," "intend," "consider," "would," "continue" and "outlook") are not historical facts, but are forward-looking and may involve estimates and assumptions and are subject to risks (including the risk factors detailed in this Prospectus), uncertainties and other factors some of which are beyond our control and which are difficult to predict. Accordingly, these factors could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements.

Our forward-looking statements have been based on assumptions and factors concerning future events that may prove to be inaccurate. Those assumptions and factors are based on information currently available to us about the businesses that we operate. The risks, uncertainties and other factors, many of which are beyond our control, that could influence actual results include, but are not limited to:

- general political, market and economic conditions, including those related to the PRC and Australasia;
- any changes in the laws, rules and regulations of the central and local governments in the PRC, Australasia and other relevant jurisdictions and the rules, regulations and policies of the relevant governmental authorities relating to all aspects of our business;
- our planned projects and goals;
- our ability to control or reduce costs;
- our ability to control our risks;
- our ability to maintain good relationships with business partners;
- our business prospects and expansion plans;
- our ability to successfully implement our business plans and strategies;
- our financial condition and performance, debt levels and capital needs;
- our dividend policy;
- our capital expenditure plans;
- various business opportunities that we may pursue;
- the actions and developments of our competitors;

- changes or volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, including those pertaining to the PRC, Australia and the industry and markets in which we operate; and
- all other risks and uncertainties described in the section headed "Risk Factors" in this Prospectus.

Since actual results or outcomes could differ materially from those expressed in any forward-looking statements, we strongly caution investors against placing undue reliance on any such forward-looking statement. Any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by the Listing Rules, we undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. Statements of or references to our intentions or those of any of our Directors are made as of the date of this Prospectus. Any such intentions may change in light of future developments.

All forward-looking statements in this Prospectus are expressly qualified by reference to this cautionary statement.

You should carefully consider all of the information in this Prospectus, including the risks and uncertainties described below before making an investment in our Shares. You should pay particular attention to the fact that we conduct significant operations in China, the legal and regulatory environment of which differs in certain respects from that which prevails in other countries. Our business, financial condition, results of operations or prospects may be materially and adversely affected by any of these risks and the trading price of our Shares may decline as a result. You may lose all or part of your investment.

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date, unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in "Forward-looking Statements" in this Prospectus.

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorized these risks and uncertainties into: (i) risks relating to our business and our industry and (ii) risks relating to the Global Offering. There may be additional risks and uncertainties presently not known to us or not expressed or implied below or those we currently deem immaterial could also harm our business, financial condition and results of operations. You should consider our business and prospects in light of the challenges we face, including the ones discussed in this section.

RISKS RELATING TO OUR BUSINESS AND OUR INDUSTRY

Our business is subject to risks associated with changes in the general macroeconomic, political, social and regulatory conditions in the jurisdictions where we operate.

Substantially all of our business, assets and operations are located in the PRC and Australia. We produce RV parts in the PRC and assemble these parts in Australia. Our RVs are primarily sold to customers in Australia and, to a smaller extent, New Zealand, through a robust and extensive network of third-party dealers, together with self-owned stores directly operated by us and JV stores with our JV partners. In 2021, 2022 and 2023 and for the six months ended June 30, 2024, our revenues generated from Australia were RMB280.3 million, RMB471.0 million, RMB676.0 million and RMB400.3 million, respectively, representing 93.5%, 94.4%, 93.8% and 94.9% of our total revenues during the respective periods, while our revenues generated from New Zealand were RMB19.3 million, RMB27.7 million, RMB44.3 million and RMB21.6 million, respectively, representing 6.5%, 5.6%, 6.2% and 5.1% of our total revenues during the respective periods. As such, our operations are subject to risks associated with changes in the general macroeconomic, political, social and regulatory conditions in the PRC, Australia and New Zealand, which are beyond our control. In particular, we face a number of challenges as a result of our international business and expansion strategy, including our ability to effectively recruit, manage and coordinate our employees across different geographic regions, and the changes in customs regulations regarding the import and export of products. If we fail to effectively manage these risks, our business, financial condition, results of operations and prospects could be materially and adversely affected.

The economic, political, social and regulatory conditions in the jurisdictions where we operate have been influenced by the global economy. In recent years, it remains uncertain whether, and for how long, the global economic downturn will persist. Recent geopolitical tensions increased such uncertainty. For example, there are considerable uncertainties over the long-term effects of the monetary and fiscal policies adopted by the central banks and financial authorities of some of the world's leading economies. There have been concerns over geopolitical events, including unrest and terrorist threats in certain countries and regions, which have resulted in volatility in oil and other markets. Such tensions and any escalation thereof, may have a negative impact on the general, economic, political, and social conditions in jurisdictions where we operate.

Furthermore, changes in policies and regulations in the jurisdictions where we operate may have a material impact on our business and operation. In the past years, the PRC government mainly regulated the economy and the industries by imposing industrial, fiscal and monetary policies. Although the PRC government has, in recent years, taken various actions to introduce market forces for economic reform, it continues to play a significant role in regulating the economy and the industries.

In addition, the Australian economy rebounded robustly in the wake of the pandemic. However, inflation has risen and fiscal pressures are on the horizon due to population aging and climate change. Monetary policy remains restrictive until underlying inflation is on track to meet the central bank target, while fiscal buffers need to be rebuilt through reducing tax exemptions and improving public spending efficiency in areas such as health. In the medium-term, achieving inclusive and sustainable economic growth requires an ongoing focus on key social objectives such as reducing gender inequality and achieving the climate transition.

There is no assurance that the aforementioned factors in the future will not create instability in macroeconomic and social conditions, which could further have a material adverse effect on our business, financial condition, results of operations and prospects. The demand of our potential customers may fall due to the above factors, which may also damage our ability to obtain and/or increase customer orders, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Changes in customer demand and preferences may affect our financial results.

The demand for our RVs may be adversely impacted by unexpected events in the future. Our orders, sales volumes and revenues may be affected by general economic conditions of the countries in which our potential or existing customers reside, the changing preferences of our customers and market trends. We need to continuously invest significant resources, including financial resources in building our product development and technology team and improving our information technology system, to keep pace with technological advances in our industry, to make our products competitive and to adequately and timely respond to changes in customer preferences. However, we cannot assure you that we will succeed in anticipating or reacting to changes in customer preferences, maintaining pace with advances in design and production technologies or expanding our product lines and continuing to innovate in the future. In addition, our efforts and investments in product development and innovation may not generate the expected outcomes. If we misjudge the market for our products or are late in identifying changing trends and customer preferences, we could experience poor returns on investment or even damage to our reputation.

Similarly, there is uncertainty as to when or whether our existing backlog for RVs will convert to revenues as the conversion depends on, among others, production capacity, customer needs and credit availability and affordability. Changes in economic conditions have in the past caused, and in the future may cause, customers to request the confirmed orders to be rescheduled, deferred or canceled. Any failure by us to anticipate or react to such changes may also reduce demand for our RVs. Reduced demand for our RVs or delays or cancellation of orders in the future could have a material adverse effect on our business, financial condition, results of operations or cash flows.

Our RVs may not perform in line with customers' expectations and may contain defects. We could also suffer losses and adverse publicity stemming from any accident involving our RVs.

Our RVs may not perform in line with customers' expectations. Any product defects or any other failure of our RVs to perform or operate as expected could harm our reputation and result in negative publicity, lost revenue, delivery delays, product recalls, product liability claims, harm to our brand, and significant expenses including warranty and other items that could materially and adversely affect our business, financial condition, results of operations, and prospects.

Our RVs may contain design and production defects. The design and production of our RVs are complex and could contain latent defects and errors, which may cause our RVs not to perform or operate as expected or even result in property damage, personal injuries or other types of accidents. As part of our quality control system, we are required to perform internal testing and quality control procedures on our RVs before delivery. Notwithstanding that, we cannot assure you that we will be able to detect and fix any defects in the RVs on a timely basis, or at all. In addition, although we have established rigorous protocols in each process of testing, delivering, and servicing of our RVs, there could be maloperation, negligence, or failure to follow protocols by our employees or third-party service providers. Such human error could result in failure of our RVs to perform or operate as expected. We cannot assure you that we will be able to completely prevent human errors. Furthermore, any defects in or significant malfunctioning of our RVs may weaken customers' confidence in us. If any of our RVs fails to perform or operate as expected, whether as a result of human error or otherwise, we may need to delay deliveries, initiate product recalls, provide servicing or updates under warranty at our expense, and face potential lawsuits, which could adversely affect our brand reputation, business, financial condition, and results of operations.

Our RVs may also experience accidents while being operated by owners. As a result, from time to time in the ordinary course of our business, we may be subject to claims or disputes by such owners. Such claims or disputes can either be based on a product liability claim or a breach of warranty. If our owners experience accidents with our RVs obligating us to take such RVs out of service until the cause of the accident is determined and rectified, our reputation may be affected, and we may lose customers. Any RV accident or incident, even if fully insured, could create a public perception that our RVs are less safe or reliable than other means of transportation, which could cause our customers to lose confidence in us and switch to the products of our competitors or other means of transportation. In addition, any RV accident or incident could also affect the public's view of industry safety, which may reduce the amount of trust our customers have in RVs, and hence may have negative financial impact on us. There is no assurance that our customers would not perceive such directives adversely. If this were to occur, our reputation and business operations could be adversely affected. In addition, safety issues experienced by a particular model of RVs could result in customers refusing to use that particular RV model or a regulatory body grounding that particular RV model.

In the future, we may, voluntarily or involuntarily, undertake remedial actions in connection with service bulletins, if any of our RVs, including any systems or components sourced from our suppliers, prove to be defective or noncompliant with applicable laws and regulations. Such remedial actions, whether voluntary or involuntary and whether caused by systems or components engineered or produced by us or our suppliers, could incur significant expenses and adversely affect our brand image in our target markets. The value of the RV model might also be permanently reduced in the secondary market if the model were to be considered less desirable. Such accidents or safety issues related to RV models that we operate could have a material adverse effect on our business, financial condition, results of operations and prospects.

Our business and growth strategies are subject to uncertainties and risks, including those relating to customer acceptance and commercial success of our strategies, and significant capital expenditure and investments for new product and service offerings, which may materially and adversely affect our business, financial condition, results of operations and prospects.

Our business and growth strategies primarily include strengthening our leadership in Australasia and expanding our markets globally, enhancing our brand image and reputation, continuously rejuvenating and broadening our RV collection, and upgrading and automating our production facilities. There can be no assurance that any customer demand in response to such strategies and related initiatives will exist or be sustained at the levels that we anticipate, or that any of these strategies will generate sufficient revenue to offset any new expenses or liabilities associated with any new investments.

We devote significant financial and other resources to the expansion of our products and service offerings, including increasing our capability to produce RVs, and these efforts may not be commercially successful or achieve the desired results. We may increase our production capacity through organic expansion of our own production facilities or acquisitions in order to support the growth of our business in the future. However, there is no assurance that we will be able to identify or successfully pursue such opportunities. See "— We may be unable to identify or successfully pursue acquisition opportunities as planned." Our ability to maintain or improve our competitiveness depends on our ability to effectively gauge the direction of our target markets, to successfully expand our sales coverage and to provide extraordinary products and services in these markets.

Furthermore, any such efforts could distract management from current operations, and would divert capital and other resources from our more established offerings. Even if we were successful in developing our strategies, regulatory authorities may subject us to new rules or restrictions in response to our strategies that may increase our expenses or prevent us from successfully commercializing new product and service offerings or technologies. If we are not able to identify, capture or execute on these strategies successfully, our business, financial condition, results of operations and prospects could be materially and adversely affected, and any assumptions underlying estimates of expected revenues or cost savings may be inaccurate. Furthermore, delays or cost overruns in the development and acceptance of new products or certification of new RVs occur from time to time and could adversely affect our business, financial condition, results of operations and prospects. These delays or cost overruns could be caused by unanticipated technological hurdles, production changes to meet customers' demands, unanticipated difficulties in obtaining required regulatory certifications of new RV models, or failure on the part of our suppliers to deliver components as agreed. We could also be adversely affected if our product development efforts are less successful than expected or if these efforts require more funding to achieve our goals than anticipated. In addition, new products, services and technologies could generate unanticipated safety or other concerns resulting in an increase in product liability risks, potential product recalls and other regulatory issues that could have an adverse impact on us. Additionally, because of the lengthy product development cycle involved in bringing certain of our products to market, we cannot predict the economic conditions that will exist when any new product is complete, and the market for our product offerings does not always develop or continue to expand as we anticipate.

Our historical rate of growth may not be sustainable or indicative of our future rate of growth. We believe that our continued growth in revenue, as well as our ability to improve or maintain margins and profitability, will depend upon, among other factors, our ability to address the challenges, risks and difficulties described elsewhere in this section and the extent to which our various offerings grow and contribute to our results of operations. We cannot provide assurance that we will be able to manage any such challenges or risks to our future growth successfully.

Our business depends on the performance of independent third-party authorized dealers. The loss of our third-party dealers or an increase in third-party dealer consolidations and/or concentration could have a material negative effect on our business.

We distribute a majority of our products through a robust dealership network. As of June 30, 2024, we distributed our products through 11 third-party dealers in Australasia. We depend on the capability of these third-party dealers to develop and implement effective retail sales plans to create demand among customers for the products that the dealers purchase from us. If our third-party dealers are not successful in these endeavors, we may be unable to maintain or grow our revenues and meet our financial expectations. The geographic coverage of our third-party dealers and their individual business conditions can affect the ability of our third-party dealers to sell our products to customers. If our third-party dealers are unsuccessful, they may exit or be forced to exit the business or, in some cases, we may seek to terminate relationships with such dealers. As a result, we could face adverse consequences related to the termination of our existing third-party dealers.

Although we had established two self-owned stores and four JV stores in Australasia as of the Latest Practicable Date to strengthen our sales and distribution network, ensure direct local presence, and foster connection with our clientele, any potential consolidation among third-party dealers, as well as the growth of large, multi-location dealers, in the future may also result in the increased bargaining power of these third-party dealers.

Furthermore, in each year/period of the Track Record Period, sales to our five largest customers, which primarily consist of third-party dealers, in the aggregate accounted for 80.5%, 74.4%, 55.2% and 46.2% of our total revenues, respectively. See “Business — Top Customers and Suppliers — Top Customers” for further details. We cannot assure you that there will not be any dispute between our major customers and us, or that we will be able to continue to generated substantial amount of revenues from them in each financial year, which may adversely affect our business and profitability. Additionally, if any of such customers default or delay on their payment or settlement of our trade and other receivables, our liquidity, financial condition and results of operations may be adversely affected.

In addition, if our products are not perceived by the third-party dealers as being desirable and profitable for them to distribute, the dealers may terminate their relationship with us or may drop certain of our brands or product offerings, which could in turn adversely affect our sales and profit margins if we are unable to replace such dealers on a timely basis or at all.

If we suffer substantial interruptions to our production activities to the extent that we are not able to compensate such interruptions by increasing the production capacity of our remaining production facilities, our business, financial condition, results of operations and prospects could be materially and adversely affected.

We operated one production site in Zhejiang, China and two final assembly lines in Melbourne, Australia as of June 30, 2024. Work slowdowns and other forms of industrial action, or any deterioration in our relationships with employees, as well as shortages of skilled workers, could cause interruptions to our production cycle. The aggregate value of contracts in our backlog (representing our estimate of the contract value of orders that remain to be completed as of a certain date) was approximately A$80.7 million (equivalent to RMB364.8 million) as of June 30, 2024. Any prolonged interruptions could cause us to fail to meet our contractual obligations to customers in relation to delivery of RVs and may cause customers to terminate their orders. The impact of any such delays or interruptions to our production cycle could cause a material adverse effect on our business, financial condition, results of operations and prospects.

We face risks associated with our supply chain. If we experience any delay or interrupted supply, or if the quality of the supplies does not meet the required standards, our business, financial condition, results of operations and prospects could be materially and adversely affected.

We rely on our suppliers to provide us with a wide range of raw materials. For the three years ended December 31, 2023 and for the six months ended June 30, 2024, we recorded cost of raw materials of RMB168.1 million, RMB292.3 million, RMB419.6 million and RMB221.4 million, respectively, accounting for 67.3%, 70.2%, 77.8% and 77.1% of our total cost of sales for the same periods.

We face various risks associated with our suppliers. Due to the limited volumes, high switching costs, and challenges in developing multiple supplier relationships, we depend on relationship development, market analysis, and supply agreements to maintain a healthy supply base. While the raw materials and components that we purchase for our RVs are generally commercially available, lead times for our various parts and components fluctuate and are dependent on multiple factors, including contract terms, demand and the particular suppliers involved. If our suppliers fail to perform their obligations or our contractual arrangements with them are terminated due to their breach and we are not able to replace them on a timely, effective and commercially acceptable basis, we may incur delays potentially affecting the agreed timetables or product specifications. In addition, we require our suppliers to be punctual in their deliveries and to give particular care to the quality of their supplies. Furthermore, we rely on a limited number of suppliers and, in some cases, on single-source suppliers for several raw materials and components of our products, in part, due to the customized nature of many of our parts and the requirement for certification. If any of our suppliers fail to adequately fulfill their obligations or experience disruptions in production or provision of products due to, for example, bankruptcy, natural disasters, labor strikes or disruption of its supply chain, or decide to unilaterally terminate their contractual arrangements with us, we may experience a significant delay in the delivery of or fail to receive previously ordered raw materials and components, which would adversely affect our revenue and profitability and could jeopardize our ability to meet the demands of our customers.

If we are unable to obtain required components from our existing suppliers, we may need to obtain these raw materials and components through secondary sources or markets, which could result in higher costs, delays, and/or components that do not meet our quality requirements or technical specifications. While we actively monitor and manage our supply chain, we cannot anticipate the potential impact that a variety of factors may have on the production and shipment of our products. This reliance on a limited number of suppliers and the lack of any guaranteed sources of supply exposes us to several risks, including:

- The inability to obtain an adequate supply of raw materials and components;
- Delay of RV deliveries due to designing and certifying new supplier of raw materials and components;
- Price volatility and production costs for raw materials and components;

- Failure of a supplier of raw materials and components to meet our quality or production requirements;

- Failure of a supplier of raw materials and components to remain in business or adjust to market conditions; and

- Consolidation among suppliers, resulting in some suppliers exiting the industry, discontinuing the production of raw materials and components or increasing the cost of raw materials and components.

Based on the above risks, we cannot guarantee that we will be able to obtain a sufficient supply of raw materials and components in the future or that the cost of these raw materials and components will not increase. If our supply of raw materials and components is disrupted or delayed, or if we need to replace our existing suppliers, there can be no assurance that additional raw materials and components will be available when required or that raw materials and components will be available on terms that are favorable to us, which could extend our lead times, increase the costs of our components and harm our business, financial condition, results of operations and prospects. We may not be able to continue to procure components at reasonable prices, which may impact our business negatively or require us to enter into longer-term contracts to obtain raw materials and components. Any of the foregoing disruptions could exacerbate other risk factors and increase our costs and decrease our gross margins, harming our business, financial condition, results of operations and prospects.

As a player in the RV industry in Australasia, we are subject to significant competition.

We face strong competition in the product categories and markets in which we operate. We compete with other RV producers who own brands and products in competition with ours. According to Frost & Sullivan, the Australasia RV market exhibits a relatively competitive landscape. In terms of sales volume of RVs in 2023, the top five participants collectively held approximately 55.4% of the market share. During the same year, we were ranked as the second-largest RV company in Australasia, capturing approximately 6.8% of the market share, while the largest RV company in Australasia captured approximately 31.5% of the market share. In particular, our competitors could adopt commercial policies aimed at increasing their market share and/or limiting our ability to obtain new orders. Such policies could include, *inter alia*, more aggressive discount policies.

We believe that we compete primarily based on our capability to rejuvenate our RV collection and customize our RVs, the quality performance and design of our RVs, our brand image and the user experience that we provide to our customers. If we fail to satisfy our customers in any regard, our business, results of operations, financial condition, prospects and the price of the Shares could be materially and adversely affected.

We are subject to significant laws, regulations and directives in countries where we operate. Increasing compliance risks and changes in government regulations imposing additional requirements and restrictions on our operations could increase our operating costs, result in service delays and disruptions, and adversely affect our business, financial conditions, results of operation and prospects.

As an international RV business operator, we are subject to significant laws, regulations and directives in countries where we operate. An international customer base and service offering requires importing and exporting goods, software and technology, which may be subject to more stringent import-export controls across international borders. For example, changes to import barriers by the Australian government could increase our raw material and component part costs as we rely on our international suppliers. Restrictive trade policies may increase the price of raw materials and component parts, and we may need to use different and potentially more expensive suppliers. Generally, the implementation of restrictive trade policies could lead to increased market uncertainties, volatilities and adverse economic conditions. We may be subject to other cross-border risks, including impacts on our suppliers and customers due to acts of war occurring internationally; restrictions on technology transfer; difficulties in protecting intellectual property; increasing complexity of employment and environmental, health and safety regulations; challenges associated with monitoring foreign suppliers to ensure compliance with applicable laws and regulations; foreign investment laws; exchange controls; repatriation of earnings or cash settlement challenges; compliance with increasingly rigorous data privacy and protection laws; competition from foreign and multinational firms with home country advantages; economic and government instability; acts of industrial espionage, acts of war and terrorism and related safety concerns. New or changing laws and regulations or related interpretation and policies could increase our costs of doing business, affect how we conduct our operations, adversely impact demand for our RVs and/or limit our ability to sell our RVs and services.

We have implemented and maintained policies and procedures that are designed to monitor and ensure compliance by us and our Directors, officers and employees with applicable laws, regulations and directives. Compliance with laws and regulations of increasing scope and complexity is even more challenging in our business environment in which reducing our operating costs is often necessary to remain competitive. In addition, regulators and enforcement agencies continue to devote greater resources to the enforcement of anti-money laundering laws and anti-corruption laws, and foreign jurisdictions have significantly expanded the reach of their anti-bribery laws. While we have developed and implemented policies and procedures designed to ensure strict compliance with anti-bribery, anti-money laundering, anti-corruption and other laws, such policies and procedures may not be effective in all instances to prevent violations.

Any determination that any of our employees have violated these laws, regulations or directives in jurisdictions where we do business, could subject us to, among other things, civil and criminal penalties, material monetary fines, profit disgorgement, injunction on future conduct, securities litigation, reputational damage, or other adverse actions, which could adversely affect our business, financial condition, results of operations or prospects.

We may be subject to tariffs in countries where we operate or plan to expand our business.

Our RVs are primarily sold to customers in Australia and, to a smaller extent, New Zealand, through a robust and extensive network of third-party dealers, together with self-owned stores directly operated by us and JV stores with our JV partners. As such, we may be subject to potential direct and/or indirect tax that we are required to collect and remit in countries where we operate. As advised by our PRC Legal Advisor and our Australian Legal Advisor, we currently bear no Chinese export duty nor Australian import duty by taking advantage of the Chinese-Australia Free Trade Agreement for Chinese manufactured goods. We also intend to expand our business in the European and Canadian markets. For details, see "Future Plan and Use of Proceeds." As confirmed by Frost & Sullivan, no import duty was applicable to RVs of a Chinese origin exported into Europe or Canada as of the Latest Practicable Date. However, there is no assurance that we will not be subject to additional tax exposure imposed by the relevant government authorities in the regions where we operate or plan to expand our business in the future. Particularly, the United States government has made significant changes in its trade policy in recent years and has taken certain actions that may materially impact trade relations between China and the United States. Additional tariffs, or other new laws and regulations impacting trade relations between the United States and China may have significant impact on our expansion plan if we decide to expand into the United States market in the future. In addition, failure to fully comply with tax and customs policies in countries where we operate or plan to expand our business would subject us to certain tax exposure and penalties or liabilities which may have a material adverse effect on our business, performance and financial condition.

We recorded negative cash flows from investing activities and financing activities during the Track Record Period, which may have an adverse effect on our business, financial condition, results of operations and prospects.

We recorded net cash used in investing activities of RMB4.5 million, RMB5.4 million, RMB2.7 million and RMB3.1 million for the three years ended December 31, 2023 and for the six months ended June 30, 2024, respectively, primarily attributable to payment for the purchase of items of plant and equipment. We recorded net cash used in financing activities of RMB9.0 million, RMB39.9 million, RMB124.8 million and RMB2.5 million for the three years ended December 31, 2023 and for the six months ended June 30, 2024, respectively, primarily due to (i) proceeds from and prepayment of loans and borrowings, (ii) deemed distribution, (iii) capital element of lease rentals, and (iv) payment arising from reorganization. For further details, see "Financial Information — Liquidity and Capital Resources — Cash Flows."

Net investing and financing cash outflows could impair our ability to make necessary capital expenditures and constrain our flexibility as well as adversely affect our ability to meet our liquidity requirements. We may also experience net cash outflows from our operating activities in the future. If we are unable to maintain adequate working capital, we may default in our payment obligations and may not be able to meet our capital expenditure requirements or pursue our growth strategies, which may have a material adverse effect on our business, financial condition, results of operations and prospects.

Environmental regulation and liabilities, including new or developing laws and regulations, in the PRC and Australia, or our initiatives in response to pressure from our stakeholders may increase our costs of operations and adversely affect us.

In recent years, governments, customers, suppliers, employees and our other stakeholders have increasingly focused on climate change, carbon emissions, and energy use. We are subject to certain environmental regulations and requirements, and we also need to maintain applicable environmental permits and controls related to our operations. For example, our production of RVs produces waste gas and water, and our RVs are generally powered by gasoline and diesel engines or are required to be towed by gasoline or diesel-powered vehicles. We cannot guarantee that we will be able to maintain such permits and controls, nor can we guarantee that our cost of compliance with certain environmental regulations and requirements will not increase in the future. Laws and regulations that curb the use of conventional energy or require the use of renewable fuels or renewable sources of energy, such as wind or solar power, could result in a reduction in demand for RVs that require hydrocarbon-based fuels such as oil and natural gas. In addition, governments could pass laws, regulations or taxes that increase the cost of such fuels, thereby decreasing demand for our RVs and also increasing costs for customers.

There have been growing concerns from the PRC government on environmental issues, and our production processes are subject to various environmental protection laws and regulations, such as the Law of the PRC on Prevention and Control of Atmospheric Pollution (《中華人民共和國大氣污染防治法》), the Law of the PRC on Prevention and Control of Water Pollution (《中華人民共和國水污染防治法》) and the Law of the PRC on Prevention and Control of Noise Pollution (《中華人民共和國噪聲污染防治法》) which govern the emission, discharge, release and disposal of environmental wastes and other pollutants during our production process. In the event that we fail to comply with applicable laws and regulations or fail to maintain, renew or obtain the necessary licenses or certificates, our qualification to conduct our various businesses may be adversely affected, and we may be subject to regulatory notices, investigations, inquiries, administrative penalties or prosecutions, which may adversely affect our business, financial condition and results of operations.

In addition, we are subject to significant Australian environmental regulations through federal and state legislation. These regulations impact us at an operational level, such as the obligation to minimize and prevent environmental harms (including minimizing the risk of hazardous materials and contamination, dust or other environmental impacts). The RV industry has potential environmental impacts because of the raw materials and chemicals they use and the waste they generate. A spill, high solvent emissions or other environmental incidents could harm the local environment. The current and historical uses of the properties at which we conduct our business expose us to the presence of contamination at the sites, and the Environment Protection Authority (the "**EPA**") in each state has powers to require the assessment and remediation of sites where the contamination is significant enough to warrant regulations. The statutory position in Australia is that a person running a business is not authorized to carry it out in a way that causes pollution unless the pollution was authorized by an environment protection license. Failure to obtain a license where it is required, or not complying with conditions of a license, is an offense which can attract substantial fines and regulatory action by the EPA. Businesses that do not require a license are still required to comply with the environmental laws. Australia also has laws and regulations in relation to using, storing, transporting and disposing of hazardous materials (e.g. dangerous goods and chemicals). Failing to comply with these laws and regulations is an offense for which regulatory action may be commenced. The costs of a fine for an environmental offense and/or the costs associated with any remediation required by a regulatory authority could be substantial and could adversely impact our financial performance.

Other laws or pressure from our stakeholders may adversely affect our business, financial condition, results of operation and prospects by requiring, or otherwise causing, us to reduce the emissions of our RVs. Such activity may also impact us indirectly by increasing our operating costs. We expect that compliance with such laws and regulations or accommodation of such stakeholder pressure will require additional internal resources and may necessitate larger investment in product development, research personnel and production equipment and/or facilities, as well as sourcing from new suppliers and/or higher costs from existing suppliers, all of which would increase our direct and indirect costs and negatively impact our business, financial condition, results of operations and prospects.

Failure to comply with relevant laws, regulations and rules on occupational health and safety could subject us to investigations and administrative penalties, which may adversely affect our business, results of operations and financial condition.

We are exposed to occupational health and safety risks which arise from the various hazards in the workplace, such as manual handling, slips and trips, machinery, flammable materials, harmful chemicals and noise.

According to the Production Safety Law of the PRC (《中華人民共和國安全生產法》) promulgated on June 29, 2002 and last amended on June 10, 2021, enterprises shall meet with the conditions for work safety as required by relevant laws and regulations. Enterprises having more than 100 employees shall establish a department to carry out work safety management or have personnel solely responsible for work safety management. Enterprises shall provide their employees with education and training on work safety to ensure that the employees have the necessary knowledge regarding work safety, are familiar with the relevant work safety rules and operating procedures, and acquire safe operation skills required for their respective positions. The employees performing special functions as defined by the work safety supervision department of the State Council must receive special training on work safety and hold the qualification certificate for performing such special functions.

Australian State and Territory laws impose strict obligations on the operator of a business to ensure the health, safety and welfare of employees and other people in the workplace, such as volunteers, customers and visitors. This includes ensuring safe systems of work, safe use and handling of goods and substances, provision of appropriate information, instruction, training and supervision and reporting obligations. All businesses must have a work health and safety risk assessment that meets legal requirements. The risk management plan should identify the risks and describe ways to eliminate, and otherwise, minimize the likelihood of an incident by including 'controls' (measures to either prevent or manage hazards). The risks need to be monitored and the plan needs to be reviewed and updated regularly. In the event that an employee is injured in the course of his/her employment, we may be liable for penalties or damages. This has the potential to impact productivity and harm both the reputation and financial performance of us. There are positive duties of due diligence on officers, directors and senior managers for compliance with work health and safety obligations in most Australian jurisdictions. Officers should be familiar with work health and safety obligations, company safety systems and processes and site risks. There should be a comprehensive safety management system complying with the industry standards and the legal requirements. A breach of these obligations could mean that we and the managers and directors of our subsidiaries could be exposed to regulatory notices, prosecutions and significant monetary penalties, as well as investigations, inquiries and civil litigations.

See "Business — Environmental, Social and Corporate Governance" for the internal policies we adopted to comply with the laws, regulations and rules in connection with occupational health and safety. We cannot assure you that we or our employees will fully comply with relevant laws and regulations on occupational health and safety in the future. If we cannot comply with the evolving requirements or interpretations of such laws and regulations, we could be subject to regulatory notices, investigations, inquiries, administrative penalties or prosecutions, which may in turn adversely affect our reputation, our business, financial condition and results of operations.

We may be unable to identify or successfully pursue acquisition opportunities as planned.

We will, in the future, organically and inorganically through acquisitions, strengthen our sales and distribution network in order to support the growth of our business. See "Future Plans and Use of Proceeds." However, there is no assurance that we will be able to identify suitable targets to expand our business. Even if we are able to identify suitable targets, such expansion can be difficult, time consuming and costly to execute. We may also have to engage in intense competition for attractive targets, which may make it difficult to consummate any acquisitions on commercially acceptable terms or at all. Unsuccessful expansion plan in whole or in part may have a material and adverse effect on our growth plan in relation to acquisitions.

We have entered into and may in the future enter into strategic alliances or acquisitions, with various third parties to further our business purpose from time to time. These alliances could subject us to a number of risks, including risks associated with sharing proprietary information, non-performance by third parties, and increases in expenses in establishing new strategic alliances, any of which may materially and adversely affect our business. We may have limited ability to monitor or control the actions of these third parties and, to the extent any of these third parties suffers negative publicity or harm to their reputation from events relating to their businesses, we may also suffer negative publicity or harm to our reputation by virtue of our association with any such third party.

In addition, if appropriate opportunities arise, we may acquire additional assets, products, technologies, or businesses that are complementary to our existing business. In addition to possible shareholder approval, we may have to obtain approvals and licenses from relevant government authorities for the acquisitions and to comply with any applicable laws and regulations, which could result in increasing delay and costs, and may derail our business strategy if we fail to do so. Moreover, the costs of identifying and consummating acquisitions may be significant. Furthermore, past and future acquisitions and the subsequent integration of new assets and businesses into our own require significant attention from our management and could result in a diversion of resources from our existing business, which in turn could have an adverse effect on our operations. Acquired assets or businesses may not generate the financial results we expect. Acquisitions could result in the use of substantial amount of cash, potentially dilutive issuances of equity securities, the occurrence of significant goodwill impairment charges, amortization expenses for other intangible assets, and exposure to potential unknown liabilities of the acquired business, which could adversely affect our business, financial condition, and results of operations.

Furthermore, any acquired business may be involved in legal proceedings originating from historical periods prior to the acquisition, and we may not be fully indemnified, or at all, for any damage to us resulting from such legal proceedings, which could materially and adversely affect our financial position and results of operations.

Our services, including those provided through third parties, may not be generally accepted by our customers. If we are unable to provide or arrange adequate services for our customers, our business and reputation may be materially and adversely affected.

We cannot assure you that our auxiliary services or our efforts to engage with our customers using both our online and offline channels, will be successful, which could affect our revenues as well as our customer satisfaction and marketing. Moreover, we are unable to ensure the availability or quality of services provided by those third-party suppliers that we partner with, such as logistics service providers, recommended RV workshops and financing institutions. If any of the services provided by third parties becomes unavailable or inadequate, our customers' experience may be adversely affected, which in turn may materially and adversely affect our business and reputation.

Our RVs can be serviced at our recommended RV workshops, including our self-owned stores and JV stores. We cannot assure you that our service arrangements will adequately address the requirements or expectations of our customers to their satisfaction, or that we and our recommended RV workshops will have sufficient resources to meet these service requirements in a timely manner as the volume of RVs we deliver increases.

Failure to fulfill our obligations in respect of contract liabilities could materially and adversely affect our results of operation, liquidity and financial position.

Our contract liabilities represent advances received from customers purchasing RVs through our self-owned stores. As of December 31, 2021, 2022 and 2023 and June 30, 2024, our contract liabilities were RMB4.8 million, RMB7.6 million, RMB12.8 million and RMB7.1 million, respectively. For further details, see "Financial Information — Selected Items from the Consolidated Statements of Financial Position — Contract liabilities." There is no assurance that we will be able to fulfill our obligations in respect of contract liabilities. If we are not able to fulfill our obligations with respect to our contract liabilities, the amount of contract liabilities will not be recognized as revenue, and we may have to reimburse or compensate our customers for failure to fulfill our obligations. As a result, our results of operations, liquidity and financial position may be materially and adversely affected.

We are exposed to risks of obsolete inventory which may adversely impact our cash flow and liquidity.

We are exposed to risk of inventory obsolescence. Our inventory primarily consists of raw materials, work in process and finished goods. We had inventories of raw materials of RMB36.0 million, RMB43.4 million, RMB88.4 million and RMB42.8 million as of December 31, 2021, 2022 and 2023 and June 30, 2024, respectively. We had inventories of work in process of RMB79.6 million, RMB92.8 million, RMB72.7 million and RMB109.8 million as of December 31, 2021, 2022 and 2023 and June 30, 2024, respectively. Our average inventory turnover days were recorded at approximately 174 days, 122 days, 138 days and 166 days for the three years ended December 31, 2023 and for the six months ended June 30, 2024, respectively. As of December 31, 2021, 2022 and 2023 and June 30, 2024, we had provision for impairment of inventories of RMB6.3 million, RMB4.6 million, RMB5.3 million and RMB7.6 million, respectively.

Our business is subject to customers' preferences and behavior, which are beyond our control. Any increase in inventory may adversely affect our working capital. If we cannot manage our inventory level efficiently in the future, our liquidity and cash flow may be adversely affected. As our business expands, our inventory level increases, and our inventory obsolescence risk may also increase along with the increased purchase of inventories. Furthermore, any unexpected and adverse changes to the optimal storage conditions at our warehouse may expedite the deterioration of our inventories which may in turn increase our inventory obsolescence risk. Therefore, any unexpected change in the economic condition or degree of economic activities of our customers may render our inventory obsolete. Such unexpected change in the demand for our products may result in over-stocked inventories which may lead to decline in inventory values, and significant write-offs. All these factors may in turn adversely affect our business, financial condition, and results of operations.

We may be subject to credit risk arising from some of our customers and other parties. Failure to collect on trade and other receivables may have a material adverse effect on our business operations and financial condition.

We typically grant our sales channel operators a credit term of 21 days or 90 days. As of December 31, 2021, 2022 and 2023 and June 30, 2024, we had trade and other receivables of RMB19.7 million, RMB45.3 million, RMB46.1 million and RMB60.9 million, respectively. As a result, we may be exposed to credit risk. We recorded a provision of impairment loss on trade receivables of RMB9,000 and RMB65,000 in 2021 and 2022, respectively, and a reversal of impairment loss on trade receivables of RMB34,000 in 2023. We recorded a provision of impairment loss on trade receivables of RMB21,000 for the six months ended June 30, 2024. Our customers may experience financial difficulties, which could negatively impact our ability to collect the amount due to us. Such adverse financial condition may negatively affect the length of time that it will take us to collect the associated trade receivables or impact the likelihood of ultimate collection, which could result in an adverse effect on our business, financial condition and results of operations.

We may be subject to additional liabilities in the event of defaults by our sales channel operators under the floor-plan finance arrangement.

We have collaborated with our Financing Partner to provide financing options to our sales channel operators, namely, Snowy River RV Company, which operate our self-owned stores, third-party dealers, and JV dealers. In connection with such floor-plan finance arrangement, we have separately entered into an agreement with our Financing Partner to provide a guarantee to the Financing Partner that in the event of default by the sales channel operators, we are required to repurchase the RV from the Financing Partner. We began providing such guarantee in 2022. The maximum amounts of the guarantee issued were RMB8.2 million, RMB27.5 million and RMB20.6 million as of December 31, 2022 and 2023 and June 30, 2024, respectively. During the Track Record Period and up to the Latest Practicable Date, there was no default by the sales channel operators. Therefore, this repurchasing obligation has never been invoked. However, we cannot assure you that our sales channel operators will not default or delay on their payments to the Financing Partner in the future. The occurrence of any of these events could materially increase our costs and expenses and have a material adverse effect on our business, financial condition, results of operations and prospects.

We are dependent upon our senior management team and qualified personnel with specialized skills, and our business, financial condition, results of operations and prospects may suffer if we lose their services.

We have been, and will continue to be, heavily dependent on the continued services of our senior management team, who have extensive experience and specialized expertise in our business. Certain members of our senior management team have long-standing experience in automobile industry, and we believe that their depth of experience is instrumental to our continued success. If we lose the services of any member of our senior management team, we may not be able to find suitable replacements in a timely manner, at acceptable cost or at all, and our business, execution of strategic priorities, financial condition, results of operations and prospects could be materially and adversely affected. Non-compete and confidentiality obligations on our senior management team may not be effective or enforceable if any member of our senior management team joins a competitor or forms a competing business and there is a risk we may lose know-how, trade secrets, customers and key employees.

Our success is highly dependent upon our ability to hire and retain workforce with the skills necessary for our businesses to develop, produce and maintain the products desired by our customers. The products and services desired by our customers require highly skilled personnel in multiple direct and indirect areas. These areas include product research and development, production, sales and marketing, information technology and business administration and development. In addition, from time to time we face challenges that may impact employee retention. To the extent that we lose experienced personnel through retirement or otherwise, especially those who possess specific skills and/or critical know-how/trade secrets, it is critical for us to develop other employees, hire new qualified employees and successfully manage the transfer of critical knowledge. Although (i) our employees are subject to confidentiality obligations and (ii) we require certain of our full-time employees to enter into non-compete agreements, if any of these employees joins a competitor or forms a competing business, we may need to litigate to enforce our rights under these agreements, which could be time-consuming, expensive, and ineffective, given the patchwork of different state laws regarding enforceability of non-compete obligations. Enforceability of the non-compete agreements that we have in place is not guaranteed, and contractual restrictions could be breached without discovery or adequate remedies. As a result, there is a risk we may lose know-how, trade secrets, customers and other key employees.

Competition for skilled employees is intense, and we may incur higher labor, recruiting and/or training costs in order to attract and retain employees with the requisite skills. Job candidates and existing employees consider the value of the compensation, including benefits and equity awards, which they receive in connection with their employment. Therefore, in the meantime, if the perceived value of our compensation is unattractive, it may adversely affect our ability to hire or retain highly skilled employees. We may not be successful in hiring or retaining such employees, which could adversely impact our business, financial condition, results of operations and prospects.

We may not succeed in preserving and enhancing the value of our brand which we depend on to drive demand and revenues, and in remaining competitive against other premium lifestyle alternatives.

Since our inception, we design and manufacture our RVs with emphasis on comfortability, safety and functionality. Our financial performance is influenced by the perception and recognition of our brand, which in turn depends on many factors such as the design, performance, quality and image of our RVs, the success of our promotional activities, including public relations and marketing, and our general profile, including our brand's image of safety and quality. Maintaining the value of our brand will depend significantly on our ability to continue to produce high performance RVs of the highest quality and to deliver a premium experience supported by our ecosystem. To promote our brand, we may be required to adjust our selling and marketing practices, which could substantially increase our expenses. Furthermore, we cannot assure you that these activities will be successful or that we will be able to achieve the desired promotional effect. If we fail to develop and maintain a strong brand, our business, financial condition, results of operations and prospects could be materially and adversely impacted.

The market for premium and lifestyle RVs generally is intensely competitive, and we may not be successful in maintaining and strengthening the appeal of our RVs over other premium lifestyle alternatives. Customer preferences, particularly among premium goods, can vary and change over time, sometimes rapidly. We are therefore exposed to changing perceptions of our brand image and the image of RVs more generally, as we seek to attract new generations of customers. Any failure to preserve and enhance the value of our brand may materially and adversely affect our ability to sell our RVs, to maintain our pricing and to extend the value of our brand into other activities profitably.

If we fail to manage our growth effectively, we may not be able to market and sell our RVs successfully.

We have expanded our operations, and as we ramp up our production, significant expansion will be required, especially in connection with potential increases in sales, providing our customers with high-quality servicing, expansion of our retail, delivery, and servicing center network, and managing different models of RVs. Our future operating results depend to a large extent on our ability to manage this expansion and growth successfully. Risks that we face in undertaking this expansion include, among others:

- managing our supply chain to support fast business growth;
- managing a larger organization with a greater number of employees in different divisions;
- controlling expenses and investments in anticipation of expanded operations;
- establishing or expanding design, production, sales, and service facilities;
- implementing and enhancing administrative infrastructure, systems, and processes; and
- addressing new markets and potentially unforeseen challenges as they arise.

Any failure to manage our growth effectively could materially and adversely affect our business, financial condition, results of operations, and prospects.

The plan for construction of a new production base and the expansion of our existing production facilities in China may be subject to delays, disruptions, cost overruns, or may not produce expected benefits. Additionally, depreciation of our expanded existing and new property, plant and equipment may have an adverse impact on our operating results.

We plan to conduct a new production base for our future growth in the long run. The expansion could experience delays or other difficulties, and will require significant capital expenditure. We may encounter quality, process, or other issues when optimizing our production arrangement. Our current lease for the production facilities in Zhejiang, China will expire in April 2029. Any failure to complete the construction on schedule and within budget could adversely affect our financial condition, production capacity, and results of operations.

We have invested and expect to continue to invest significantly in machinery and other production equipment for the product lines where new models are produced, and we depreciate the cost of such equipment over their expected useful lives. However, production technology may evolve rapidly, and we may decide to update our production process with advanced equipment more quickly than expected. Moreover, as our engineering and production expertise and efficiency increase, we may be able to produce our products using less of our installed equipment. The useful life of any equipment that would be retired early as a result would be shortened, causing the depreciation on such equipment to be accelerated, and to the extent we own such equipment, our results of operations could be negatively impacted. Additionally, the establishment of new production facilities and the expansion of existing ones require significant investments in construction, decoration and/or renovation. During this initial phase, when revenue generation may not yet be stable, depreciation of property, plant and equipment begins to accrue, which may have an adverse impact on our operating results.

Under the PRC laws, construction projects are subject to broad and strict government supervision and approval procedures, including but not limited to project approvals or filings, environment protection approvals, the pollution discharge permits, work safety approvals, fire protection approvals, and the completion of inspection and acceptance by competent authorities. If we plan to carry out any construction project in the future, we may need to undergo necessary approval procedures as required by law. There is no assurance that we will not encounter problems in fulfilling any or all of the conditions imposed in respect of the inspection and acceptance by competent authorities. As a result, our entities operating such construction projects may be subject to fines, or the suspension of use of such projects, if they are found to be in violation of any applicable regulations or requirements. Any of the foregoing could materially and adversely affect our business operations.

The modification, renewal and revocation of permits, approvals, authorizations and licenses may impose limitations that increase the costs or limit the availability of our products.

Our business requires a variety of government permits, approvals, authorizations and licenses and the maintenance of such permits, approvals, authorizations and licenses. Our business is subject to regulations and requirements and may be adversely affected if we are unable to comply with existing regulations or requirements or if changes in applicable regulations or requirements occur. In addition, our business could be restricted by modification or revocation of these approvals upon which we depend and could have a material adverse impact on our business, financial condition, results of operations and prospects. See "Business — Licenses, Certificates and Permits."

Backlog is subject to unexpected adjustments and cancellations and, therefore, may not be indicative of our future results of operations.

Our backlog represents our estimate of the contract value of orders that remains to be completed as of a certain date. The contract value of an order represents the amount that we expect to receive under the terms of the contract, assuming the contract is performed in accordance with its terms. Backlog may not be indicative of future results of operations. Many events can cause a delivery to be delayed or not completed at all, some of which may be out of our control, including delays in supply of raw materials or components by our suppliers. If we experience delay in fulfilling RV orders or if customers reconsider their orders or reservations, those customers may seek to cancel or modify their orders or reservations. Customers may otherwise seek to cancel or delay their orders or reservations even if we are prepared to fulfill them. If our backlog does not result in sales, our results of operation may suffer.

As of December 31, 2021, 2022 and 2023 and June 30, 2024, the aggregate value of contracts in our backlog was approximately A$62.9 million (equivalent to RMB284.3 million), A$90.4 million (equivalent to RMB408.7 million), A$81.6 million (equivalent to RMB368.9 million) and A$80.7 million (equivalent to RMB364.8 million), respectively. However, this figure is based on the assumption that our relevant contracts will be performed in full in accordance with their terms. The termination or modification of any one or more major contracts may have a substantial and immediate effect on our backlog. Also, we cannot guarantee that the amount estimated in our backlog will be realized in full, in a timely manner, or at all, or even if it is realized, such backlog will result in profits as expected. As a result, you should not rely on our backlog information as an indicator of our future earnings.

Our warranty provisions may be insufficient to cover future warranty claims, which could adversely affect our financial condition and results of operations.

We provide warranties covering the key components of the RVs. A provision for warranties is recognized when the underlying products are sold, and is made for the best estimate of the expected settlement under sales agreements. The amount of provision for warranties takes into account the Company's recent claim experience, historical warranty data and a weighting of all possible outcomes of their respective probabilities. As of December 31, 2021, 2022 and 2023 and June 30, 2024, the Company's product warranty provision amounted to RMB2.9 million, RMB4.9 million, RMB6.7 million and RMB6.9 million, respectively. An increase in actual warranty claim costs as compared to our estimates could result in increased warranty liabilities and expense which could have an adverse impact on our earnings.

We plan to record and adjust warranty provisions based on changes in estimated costs and actual warranty costs. We cannot assure you that our warranty provisions will be sufficient to cover future warranty claims. We could, in the future, become subject to a significant and unexpected warranty claim, resulting in significant expenses, which would in turn materially and adversely affect our financial condition, results of operations, and prospects.

We may be subject to additional contributions of employee benefit plans and late payments and fines imposed by relevant governmental authorities.

PRC laws and regulations require us to participate in various government sponsored employee benefit plans. These benefit plans include social insurance, housing provident fund and other welfare-oriented payment obligations. According to applicable PRC laws and regulations, employers must open social insurance registration accounts and housing provident fund accounts and pay social insurance premiums and housing provident fund contributions for employees. PRC laws require that we contribute to the plans in amounts equal to certain percentages of salaries, including bonus and allowances, of our employees up to the maximum amounts specified by the local government at locations where we operate our business. Local governments across China do not have consistent requirements regarding the implementation of employee benefit plans. In addition, according to the Urgent Notice of the General Office of the Ministry of Human Resources and Social Security on Implementing the Spirit of the Executive Meeting of the State Council in Stabilizing the Collection of Social Security Contributions (人力資源社會保障部辦公廳關於貫徹落實國務院常務會議精神切實做好穩定社保費徵收工作的緊急通知) promulgated on September 21, 2018, all local authorities responsible for the collection of social insurance are strictly forbidden to conduct self-collection of historical unpaid social insurance contributions from enterprises.

During the Track Record Period, we did not make adequate social insurance and housing provident fund contributions for employees with the relevant social insurance and housing provident fund authorities. We made provisions of approximately RMB0.7 million, RMB1.7 million, RMB2.1 million and RMB0.5 million with respect to the potential liabilities arising from shortfalls in social insurance and/or housing provident fund contributions in 2021, 2022 and 2023 and for the six months ended June 30, 2024, respectively. As advised by our PRC Legal Advisor, pursuant to the Regulations on Administration of Housing Provident Fund (《住房公積金管理條例》), if we fail to pay housing provident fund contributions within a prescribed period, we may be subject to an order by the relevant PRC court to settle such payments. As advised by our PRC Legal Advisor, pursuant to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), we may be required by relevant regulatory authorities to make up the outstanding social insurance contributions amount prior to a stipulated deadline and we may be liable for the additional late payment penalty at the daily rate of 0.05% of the shortfalls. Moreover, we may be liable to a fine of one to three times of the outstanding contribution amount in the event that we fail to make such payments in time. As advised by our PRC Legal Advisor, the risk of us being penalized for such shortfall is remote, provided that we rectify such shortfall in a timely manner after receiving notices from the relevant PRC authorities. Please refer to the section headed "Business — Employees" in this Prospectus.

In Australia, we are required to contribute 11% of our employees' ordinary time earnings to a certain cap into superannuation funds in accordance with superannuation legislation. This rate will incrementally increase to 12% by July 1, 2025. Such contributions are fully and immediately vested in employees once made.

As of the Latest Practicable Date, no administrative action or penalty had been imposed by the relevant regulatory authorities with respect to our social insurance and housing provident fund contributions, nor had we received any order to settle the deficit amount. We were also not aware of any material employee's complaints or demands for payment of social insurance or housing provident fund contributions, nor had we received any material legal documentation from the labor arbitration tribunals or the PRC courts regarding disputes in this regard. Also, in Australia, we had not been subject to any administrative penalties in connection with our contribution of the above employee benefit plans during the Track Record Period. However, there is no assurance that our historical and current practice with respect to the contribution will at all times be deemed in full compliance with relevant laws and regulations by government authorities mainly due to the evolving interpretation and implementation of these laws and regulations. In the event of any such non-compliance, we may be required to pay any shortfall in social insurance and housing provident fund contributions within a prescribed time period and to pay penalties if we fail to do so. However, if we are still required to make additional payments in relation to such contributions, our operating expenses will increase, which could consequently adversely affect our financial condition and results of operations.

Our operational and financial results are subject to seasonal fluctuations.

Our business has experienced, and expects to continue to experience, seasonal fluctuations, typically with relatively weaker performance during long public holidays in Australasia, such as the Christmas and New Year holidays in late December and early January of each year. As a result, we experienced a decrease in the orders we received from December to January the following year during the Track Record Period. Other seasonal trends that affect our industry may develop, and current seasonal trends may become more extreme, all of which would contribute to fluctuations in our results of operations. As a result, historical patterns of our results of operations may not be indicative of our future performance, and period-to-period comparisons of our results of operations may not be meaningful. Our results of operations in future quarters or years may fluctuate and deviate from the expectations of securities analysts and investors, and any occurrence that disrupts our business during any particular quarters could have a material adverse effect on our liquidity and results of operations.

We may be unable to adequately control the costs associated with our operations.

We devote a significant amount of capital to develop and grow our business, including developing and producing our RVs, procuring raw materials, components and equipment, and constructing our production facilities.

In particular, our business operations are affected by the prices of raw materials and components for our RVs. Our business operations depend on our ability to consistently obtain sufficient quantities of raw materials and components at acceptable prices and quality levels from our suppliers in a timely manner. In 2021, 2022 and 2023 and for the six months ended June 30, 2024, cost of raw materials associated with our business represented approximately 67.3%, 70.2%, 77.8% and 77.1%, respectively, of our total cost of sales of our business for the same periods. Raw material and component prices have fluctuated in the past and may continue to fluctuate considerably in the future. As the purchase of raw materials and components comprises a substantial portion of our total purchase for our business, any increase in the cost of raw materials and components may have a negative impact on our results of operations and prospects. In addition, the prices of these raw materials and components are affected from time to time by a number of factors, including general economic conditions, market demand and supply situation, and may fluctuate beyond our expectation and control from time to time. We may not be able to pass on any increase in raw material and component costs to our customers immediately or at all. If we fail to pass on such increase in raw material and component costs to our customers, our profitability may be affected. Furthermore, we do not deploy any financial instrument to hedge the price risks of raw materials and components. As such, there is no guarantee that we are able to procure sufficient raw materials and components at competitive price. In the event that the prices of these raw materials and components fluctuate under abnormal conditions and/or there is a shortage in supply, it may result in disruption to our production schedule and could have a negative impact on our profitability. Currency fluctuations, tariffs or shortages in petroleum and other economic or political conditions may result in significant increases in freight charges and raw material costs.

In addition, we may lose control over the increase of costs in connection with our services including after-sale services. Our ability to become profitable in the future will not only depend on our ability to successfully market our RVs and services but also to control our costs. If we are unable to design, develop, produce, market, sell, and service our RVs in a cost-efficient manner, our margins, profitability, and prospects would be materially and adversely affected.

Furthermore, staff costs have been a major component of our cost of sales and overall expenses. Although staff costs as a percentage of our cost of sales and expenses have remained generally stable, the absolute amounts have increased consistently during the Track Record Period as we expanded our operations primarily due to higher headcounts. We anticipate this trend to continue as we further grow our business. In addition, we intend to invest a certain portion of our net proceeds from the Global Offering in our continued product research and development efforts. As part of the efforts, we plan to recruit more research and development professionals with appropriate qualifications, who have experience in RV research and development, to facilitate the construction, design and upgrading of our RV and towable ERV models. See "Future Plans and Use of Proceeds — Use of Proceeds" for more details. Recruitment of additional research and development personnel is expected to lead to increased staff costs. If we are unable to grow revenues at a pace sufficient to offset these increased costs, our business, financial condition, and results of operations could be adversely affected.

Fluctuations in shipping prices and disruptions to our logistics processes could disrupt our product deliveries and adversely affect our business, financial condition and results of operations.

We generally use third-party logistics service providers to transport (i) our semi-finished RVs from our warehouses in China to our warehouses in Australia for final assembly, and (ii) our finished RVs from our Australian warehouses to our end customers. The shipping costs from China to Australia are recorded as shipping and handling expenses included in our costs of sales. We recorded shipping and handling expenses of RMB27.7 million, RMB55.3 million, RMB20.3 million and RMB18.9 million for the three years ended December 31, 2023 and for the six months ended June 30, 2024, respectively, representing 11.1%, 13.3%, 3.8% and 6.6% of our total cost of sales during the same periods.

Global and local dynamics within the logistics landscape, including fluctuations in freight capacities and prices, regional differences in infrastructure and labor availability, and other broader industry challenges or specific issues affecting our third-party logistics service providers can influence our logistics processes and associated costs, which could adversely affect our business, financial condition and results of operations.

We had net current liabilities during the Track Record Period. We cannot assure you that we will not experience net current liabilities or net liabilities in the future, which could expose us to liquidity risks.

We had net current liabilities during the Track Record Period. We had net current liabilities of RMB6.4 million as of June 30, 2024, primarily due to (i) trade and other payables of RMB274.4 million and (ii) loans and borrowings of RMB104.6 million; partially offset by (iii) inventories of RMB272.4 million, (iv) trade and other receivables of RMB60.9 million, and (v) cash and cash equivalents of RMB43.9 million. We had net current liabilities of RMB9.9 million as of December 31, 2023, primarily due to (i) trade and other payables of RMB240.7 million, representing an increase of RMB79.0 million compared to RMB161.7 million as of December 31, 2022, (ii) loans and borrowings of RMB31.2 million, representing an increase of RMB22.1 million compared to RMB9.1 million as of December 31, 2022 and (iii) lease liabilities of RMB29.0 million, representing an increase of RMB5.3 million compared to RMB23.7 million as of December 31, 2022; partially offset by (iv) inventories of RMB242.8 million, representing an increase of RMB87.2million compared to RMB155.6 million as of December 31, 2022 and (v) trade and other receivables of RMB46.1 million, representing an increase of RMB0.8 million compared to RMB45.3 million as of December 31, 2022.

In addition, we had net current liabilities of RMB2.3 million as of December 31, 2021, primarily due to (i) trade and other payables of RMB101.6 million, (ii) loans and borrowings of RMB26.7 million and (iii) lease liabilities of RMB14.5 million; partially offset by (iv) inventories of RMB112.4 million and (v) trade and other receivables of RMB19.7 million.

We cannot assure you that we will not experience liquidity problems in the future. If we fail to maintain sufficient cash and financing, we may not have sufficient cash flows to fund our business operations and capital expenditure and our business and financial position will be adversely affected.

If we are unable to obtain adequate or timely financing on commercially acceptable terms, our ability to grow our business may be limited.

We may require additional capital beyond those generated by the Global Offering from time to time to grow our business, to better serve our customers, to develop and enhance our products, and to improve our operating infrastructure. Accordingly, we may need to sell additional equity or debt securities or obtain a credit facility. Future issuances of equity or equity-linked securities could significantly dilute our existing shareholders. In addition, any new equity securities we issue could have rights, preferences and privileges superior to those of holders of our ordinary shares. The incurrence of debt financing would result in increased debt service obligations and could result in operating and financing covenants that would restrict our operations or our ability to pay dividends to our shareholders.

Our ability to obtain additional capital is subject to a variety of uncertainties, including:

- our market position and competitiveness in the RV industry;
- our future profitability, overall financial condition, results of operations;
- general market conditions for capital raising activities by companies in RV industry, which in turn depends on the prospect of this industry; and
- economic, political and other conditions in China, Australasia and globally.

We may be unable to obtain additional capital in a timely manner, on acceptable terms, or at all. If we are unable to obtain adequate financing on terms satisfactory to us when we require it, our ability to continue to support our business growth could be significantly impaired, and our business and prospects could be adversely affected.

Our ability to maintain sufficient liquidity going forward is subject to the general liquidity of and ongoing changes in the credit markets in addition to other factors.

Our liquidity is a function of our cash on-hand, our ability to successfully generate cash flows from a combination of efficient operations and continuing operating improvements, access to capital markets and funding from third parties. We believe our liquidity should be sufficient to meet our operating requirements as they occur; however, our ability to maintain sufficient liquidity going forward is subject to the general liquidity of and ongoing changes in the credit markets as well as general economic, financial, competitive, legislative, regulatory, and other market factors that are beyond our control. The potential future disruptions in access to bank deposits or lending commitments due to bank failures in the PRC and Australia could affect our liquidity. If we are not able to maintain adequate liquidity, we may not be able to meet our operating cash flow requirement, debt service cost, future required contributions to our employee benefit plan, and other financial obligations.

A failure or breaches of the security of our information technology infrastructure may adversely affect our business, financial condition, results of operations and prospects.

The performance and reliability of the technology that we use is critical to our ability to compete effectively. A significant internal technological error or failure or large-scale external interruption in the technological infrastructures on which we depend, such as power, telecommunications or the Internet, may disrupt our internal network. Any substantial, sustained or repeated failure of the technology that we use could impact our ability to conduct our business, lower the utilization of our production facilities, and result in increased costs. Our technological systems and related data may be vulnerable to a variety of sources of interruption due to events beyond our control, including natural disasters, terrorist attacks, telecommunications failures, computer viruses, hackers and other security issues.

We are subject to complex and frequently changing privacy and data protection laws, rules and regulations in the jurisdictions where we operate, regarding the collection, use, storage, transfer and other processing of personal information.

We collect certain information of our customers for product registration and warranty claims, including their names, addresses, telephone numbers and emails, and store the information in our internal computer system. We process such information to generate customer profiles, which enables us to provide superior after-sales services to serve our customers' needs and optimize their purchasing experiences.

Cybersecurity risks and the failure to maintain the confidentiality, integrity and availability of our computer hardware, software and Internet applications and related tools and functions could result in damage to our reputation, data integrity and/or subject to costs, fines or lawsuits under data privacy laws or other contractual requirements. The integrity and protection of the data we hold is relevant to our business. The regulatory environment governing information, security and privacy laws is increasingly demanding and continues to evolve. We could be subject to risks caused by misappropriation, misuse, leakage, falsification, system malfunction or intentional or accidental release or loss of information maintained in our information systems and networks and those of our third-party service providers.

If we are unable to maintain reliable information technology systems and appropriate controls with respect to global data privacy and security requirements and prevent data breaches, we may suffer regulatory consequences in addition to business consequences. We are subject to complex and frequently changing privacy and data protection laws, rules and regulations in the jurisdictions where we operate, regarding the collection, use, storage, transfer and other processing of personal information. These privacy, security and data protection laws and regulations could impose significant limitations, require changes to our policies, practices and processes and in some cases impose restrictions on our use or storage of personal information. As regulations continue to evolve, we may be potentially subject in the future to additional data protection obligations to those that we are already subject to and for which we are fully compliant, which may result in additional costs, including for the purpose of monitoring rapidly evolving privacy laws, rules and regulations.

Government enforcement actions can be costly and may interrupt the regular operation of our business, and data breaches or violations of data privacy laws can result in significant fines, reputational damage and civil lawsuits, any of which may adversely affect our business, financial condition, results of operations and prospects.

If we are unable to maintain sufficient insurance coverage, it may materially and adversely impact our business, financial condition and results of operations.

Hazards are inherent in the RV industry and may result in loss of life and property, potentially exposing us to substantial liability claims arising from, or in connection with, the operation of RVs. We maintain property insurance, machinery breakdown insurance, general and product liability insurance, employer's liability insurance and driver's liability insurance, which we believe is in line with the commercial practices in our industry. Insurance underwriters are required by various laws and regulations to maintain minimum levels of reserves for known and expected claims. However, there can be no assurance that underwriters have established adequate reserves to fund existing and future claims. The number of accidents, as well as the number of insured losses within the automobile industry, and the impact of general economic conditions on underwriters may result in increases in premiums above the rate of inflation. To the extent that our existing insurance carriers are unable or unwilling to provide us with sufficient insurance coverage, and if insurance coverage is not available from another source, our insurance costs and/or exposure may increase and may result in our being in breach of regulatory requirements or contractual arrangements requiring that specific insurance be maintained, which may have a material adverse effect on our business, financial condition and results of operations.

If we fail to implement and maintain an effective system of internal control over financial reporting, we may be unable to accurately report our results of operations, meet our reporting obligations, or prevent fraud.

Our success depends on our ability to effectively utilize our standardized management system, information systems, resources and internal controls. As we continue to expand, we will need to modify and improve our financial and managerial controls, reporting systems and procedures and other internal controls and compliance procedures to meet our evolving business needs. If we are unable to improve our internal controls, systems and procedures, they may become ineffective and adversely affect our ability to manage our business and cause errors or information lapses that affect our business. Our efforts in improving our internal control system may not result in eliminating all risks. If we are not successful in discovering and eliminating weaknesses in our internal controls, our ability to effectively manage our business may be affected.

We may not be able to detect and prevent fraud or other misconduct committed by our employees, dealers or any other third parties.

Fraud or other misconduct by employees, such as unauthorized business transactions and breaches of our internal policies and procedures, or our independent dealers or any other third parties, such as breaches of laws and contracts, may be difficult to detect and prevent and could subject us to financial loss, sanctions imposed by governmental authorities and seriously harm our reputation. Our risk management systems, information technology systems, and internal control procedures are designed to monitor our operations and overall compliance. See "Business — Risk Management and Internal Control." However, we may not be able to identify non-compliance matters in a timely manner or at all. Furthermore, it is not always possible to detect and prevent fraud or other misconduct and the precautions we take to prevent and detect such activities may not be effective. Consequently, risk of fraud or other misconduct may have previously occurred but was undetected, or may occur in the future. This could materially adversely affect our business, financial condition, results of operations and prospects and our ability to meet our financial obligations.

If we are unable to adequately protect our intellectual property interests or are found to be infringing on intellectual property interests of others, we may incur significant expense and our business may be adversely affected.

Our intellectual property includes our trademarks, goodwill, domain names, website, mobile and web applications, software (including our proprietary algorithms and data analytics engines), copyrights, trade secrets and inventions (whether or not patentable). We believe that our intellectual property plays an important role in protecting our brand and the competitiveness of our business. If we do not adequately protect our intellectual property, our brand and reputation may be adversely affected and our ability to compete effectively may be impaired.

We protect our intellectual property through a combination of patent, trademark, copyright, and trade secret laws, contracts and policies. We have registered or been authorized to use the patents, trademarks and domain names that we use in the PRC, Australia and New Zealand in which we do significant business, but we may not have such registrations or authorizations for other territories in which we have fewer operations. We may be unable to prevent competitors from acquiring trademarks or domain names that are similar to or diminish the value of our intellectual property or in any way are misleading or deceptive to our existing or potential customers, and will have to seek legal action to oppose or invalidate such registrations. In addition, it may be possible for other parties to copy or reverse engineer our applications or other technology offerings. Moreover, our proprietary algorithms, data analytics engines, or other software or trade secrets may be compromised by third parties or our employees or agents, which could negatively impact any competitive advantage that we may have from them.

Our business is subject to the risk of third parties infringing our intellectual property. Violations of intellectual property laws (including trade secret laws) can lead to legal actions against infringing parties. If our intellectual property (including trade secrets) is infringed, misappropriated or disclosed without authorization, we may seek legal remedies to protect our interests. Litigation, settlements, or damages awarded can impact both our financial resources and reputation. Considering the varying enforceability of intellectual property laws (including trade secret laws) across jurisdictions, we actively keep abreast of the legal frameworks and regulations of different countries to protect intellectual property (including trade secrets) during global operations. We may not always be successful in securing protection for, or identifying or stopping infringements of, our intellectual property, and we may need to resort to litigation, arbitration or other dispute resolution mechanisms in the future to enforce our intellectual property rights. Any such litigation could result in significant costs and a diversion of our management's time and resources. Further, such enforcement efforts may result in a ruling that our intellectual property rights are unenforceable.

Companies in the RV industry may be frequently subject to litigation based on allegations of intellectual property infringement, misappropriation or other violations. We may acquire or introduce new technology offerings, which may increase our exposure to patent and other intellectual property claims. Any intellectual property claims asserted against us, whether or not having any merit, could be time-consuming and expensive to settle or litigate. If we are unsuccessful in defending such a claim, we may be required to pay substantial damages, we could be subject to an injunction or we could agree to a settlement that may prevent us from using our intellectual property or making our offerings available to customers.

Some intellectual property claims may require us to seek a license to continue our operations, and those licenses may not be available on commercially reasonable terms or may significantly increase our operating expenses. If we are unable to procure a license, we may be required to develop or acquire non-infringing technological alternatives, which could require significant time and expense. Further, if international regulatory risks relating to intellectual property were to materialize, it could lead to legal consequences, reputational damage, business disruptions, and loss of intellectual property. Violations of international laws and regulations relating to intellectual property can result in legal actions, fines, penalties, and potential criminal liability. Regulatory risks can harm our reputation, erode customer trust, and negatively affect public perception. Compliance issues relating to intellectual property may disrupt operations, supply chains, and business relationships, resulting in financial losses. Failure to protect trade secrets and intellectual property can lead to misappropriation, loss of competitive advantage, and decreased market share. Any of these events could adversely affect our business, financial condition, results of operations and prospects.

As our patents may expire and may not be extended and our patent rights may be contested, circumvented, invalidated, or limited in scope, our patent rights may not protect us effectively. In particular, we may not be able to prevent others from developing or exploiting competing technologies, which could materially and adversely affect our business, financial condition, and results of operations.

As of June 30, 2024, we held two patents which were registered in China. We cannot assure you that all such registered patents will not be contested, circumvented, or invalidated in the future. In addition, the rights granted under any registered patents may not provide us with meaningful protection or competitive advantages. The claims under any patents may not be broad enough to prevent others from developing technologies that are similar or that achieve results similar to ours. It is also possible that the intellectual property rights of others could bar us from licensing and exploiting our patents. Numerous patents owned by others exist in the fields where we have developed and are developing our technology. These patents might have priority over our patents and could subject our patent to invalidation. Finally, in addition to those who may claim priority, any of our existing patents may also be challenged by others on the basis that they are otherwise invalid or unenforceable.

Interest rate fluctuations may adversely affect our business.

Interest rate fluctuations may adversely affect our financial performance. Our interest rate risk arises primarily from cash at bank, restricted cash, lease liabilities and loans and borrowings. Our interest-bearing financial instruments at variable rates as of December 31, 2021, 2022 and 2023 and June 30, 2024 were primarily the cash at banks, loans and borrowings and the cash flow interest rate risk arising from the change of market interest rate on these balances is not considered significant. For our interest rate profile and a sensitivity analysis, see Note 25(c) to the Accountants' Report in Appendix I to this Prospectus. Any changes in interest rates will impact our borrowing costs. We currently have exposure to floating rate debt. While the exposure to interest rate volatility may be hedged through the use of interest rate swaps and interest rate caps, the magnitude of the final exposure depends on the effectiveness of the hedge. We do not currently have any interest rate hedging in place. Any or all of these factors could materially and adversely affect our business, financial condition and results of operations and our ability to meet our financial obligations.

Exchange rate fluctuations may adversely affect our business.

Since we operate as a multinational corporation that sells our products to customers in Australia and, to a smaller extent, New Zealand, changes in exchange rates could in the future, adversely affect our cash flows and results of operations. In each year/period during the Track Record Period, we had foreign exchange gain of RMB98,000, RMB7.5 million, RMB14.0 million for the year ended December 31, 2021, 2022 and 2023 and foreign exchange loss of RMB2.5 million for the six months ended June 30, 2024, respectively.

We currently operate primarily in Renminbi while receiving Australian dollars and, to a small extent, New Zealand dollars through selling our products in Australia and New Zealand. We do not engage in hedging transactions to protect against uncertainty in future exchange rates between Renminbi and Australian dollars or New Zealand dollars. An increase in the value of the Renminbi against Australian dollars or New Zealand dollars could have a negative impact on the demand for our RVs. We cannot predict the impact of currency fluctuations, and currency fluctuations in the future may adversely affect our financial condition, results of operations and cash flows.

We face risks associated with malicious third-party activities and negative publicity which could damage our reputation and cause our customers to lose faith in our brand.

Our brand reputation is vulnerable to many threats that can be difficult or impossible to predict, control, and costly or impossible to remediate. We may become subject to malicious third-party activities including anti-competition conduct, harassing, or other harmful behaviors, especially customers unsatisfied with our products and services or third-party competitors. Such conduct includes complaints, anonymous or otherwise, to regulatory agencies. Our brand reputation may be harmed by aggressive marketing and communications strategies of our competitors. Third parties may also maliciously copy or adopt our key business strategies to gain an unfair competitive advantage in the market. We cannot guarantee that we will not be exposed to such unfair business competition or dominant market position abuse imposed by third parties in the future. In addition, we may become the target of government or regulatory investigation as a result of or in connection with such third-party conduct and may be required to expend significant time and incur substantial costs to address such third-party conduct, and there is no assurance that we will be able to conclusively refute each of the allegations within a reasonable period of time, or at all.

Our brand reputation may also be harmed by negative publicity, which is posted on the Internet or pages embedded in various social media mobile apps related to us, our Directors, officers, employees, shareholders, peers, business partners, or our industry in general. Any negative reviews or reviews that compare us unfavorably to competitors could adversely affect customers' perception about our RVs. Customers may value readily available information concerning retailers, producers, and their goods and services and often act on such information without further investigation or authentication and without regard to its accuracy. Social media platforms may immediately publish the content posted by their subscribers and members, often without filters or due diligence checks on the accuracy of such content posted. Therefore, information on social media platforms generates impact almost immediately as it is disseminated. Information posted may be inaccurate and adverse to us, and it may harm our business, financial condition, results of operations and prospects. Negative publicity about us, such as alleged misconduct, unethical business practices, or other improper activities, or rumors relating to our business, directors, officers, employees, or shareholders, or negative publicity about other companies that use the same or similar brand name as ours, can harm our reputation, business, and results of operations, even if they are baseless, irrelevant, or satisfactorily addressed. These allegations, even if unproven or meritless, may lead to inquiries, investigations, or other legal actions against us by regulatory or government authorities as well as private parties. Any regulatory inquiries or investigations and lawsuits against us, perceptions of inappropriate business conduct by us or perceived wrongdoing by any member of our management team, among other things, could substantially damage our reputation, and cause us to incur significant costs to defend ourselves. Any negative market perception or publicity regarding our suppliers or other business partners that we closely cooperate with, or any regulatory inquiries or investigations and lawsuits initiated against them, may also have an impact on our brand and reputation, or subject us to regulatory inquiries or investigations or lawsuits. Moreover, any negative media publicity about the RV industry, or product or service quality problems of other producers in the industry in which we operate, including our competitors, may also negatively impact our reputation and brand.

The harm may be immediate without affording us an opportunity for redress or correction, which, a result of the public dissemination of anonymous allegations or malicious statements about us, may in turn cause us to lose market share, customers and revenue-generating capabilities and adversely affect our business, financial condition, results of operations and prospects.

We are subject to anti-corruption, anti-bribery, and similar laws, and non-compliance with such laws can subject us to criminal penalties or significant fines and harm our business and reputation.

We may be subject to anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions, and similar laws and regulations in jurisdictions where we conduct activities. Anti-corruption and anti-bribery laws, which have been enforced aggressively and are interpreted broadly, prohibit companies and their employees and agents from promising, authorizing, making, or offering improper payments or other benefits to government officials and others in the public sector. Anti-money laundering laws prohibit disguising financial assets so they can be used without detection of the illegal activity that produced them.

We have business operations in the PRC and Australasia. We primarily leverage our dealers to sell our RVs in Australasia. We and our dealers may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities and we may be held liable for the corrupt or other illegal activities of our business partners and intermediaries, our employees, representatives, contractors, channel partners and agents, even if we do not explicitly authorize such activities. Our subsidiaries may be subject to additional foreign or local sanctions requirements in relevant jurisdictions.

We cannot assure you that all of our employees and agents have complied with, or in the future will comply with, our policies and applicable laws. The investigation of possible violations of these laws, including internal investigations and compliance reviews that we may conduct from time to time, could have a material adverse effect on our business. Non-compliance with these laws could subject us to investigations, severe criminal or civil sanctions, settlements, prosecution, loss of export privileges, suspension or debarment from government contracts and other contracts, other enforcement actions, the appointment of a monitor, disgorgement of profits, significant fines, damages, other civil and criminal penalties or injunctions, whistleblower complaints, adverse media coverage and other consequences. Other internal and government investigations, regulatory proceedings, or litigation, including private litigation filed by our shareholders, may also follow as a consequence. Any investigations, actions, or sanctions could materially harm our reputation, business, financial condition, results of operations and prospects. Further, the promulgation of new laws, rules or regulations or new interpretations of current laws, rules or regulations could impact the way we do business in other countries, including requiring us to change certain aspects of our business to ensure compliance, which could reduce revenues, increase costs, or subject us to additional liabilities.

We are potentially subject to legal proceedings and other claims.

We are potentially subject to legal proceedings and other claims arising from or in connection with the conduct of our business, including proceedings and claims relating to commercial and financial transactions; alleged lack of compliance with applicable laws and regulations; disputes with suppliers, production partners or other third parties; product liability; patent and trademark infringement; employment disputes; and environmental, safety and health matters. In the case of litigation matters for which reserves have not been established because the loss is not deemed probable, it is reasonably possible that such claims could be decided against us and could require us to pay damages or make other expenditures in amounts that are not presently estimable.

Due to the nature of our business, we are subject to liability claims arising from or in connection with accidents involving our products. The RV industry experiences product liability claims and we face inherent risk of exposure to claims in the event our RVs do not perform as expected or malfunction resulting in property damage, personal injury, or death. Potential flaws and defects in our design and production processes, or in those of our suppliers, as well as unsatisfactory performance of our products, could give rise to product liability and product recall exposures.

A successful product liability claim against us could require us to pay substantial monetary compensation. Moreover, a product liability claim could generate substantial negative publicity about our RVs and business and inhibit or prevent commercialization of our future RVs, which would materially and adversely affect our brand, business, prospects, and results of operations. Any insurance coverage might not be sufficient to cover all potential product liability claims. Any lawsuit seeking significant monetary damages may materially and adversely affect our reputation, business, financial condition, and results of operations. The occurrence of any of these risks could have a material adverse effect on our business, financial condition, results of operations and prospects. In addition to product liability claims, we may be subject to adverse publicity, damage to our brand, and costs for recalls of our RVs. Government safety standards require producers to remedy issues related to vehicle safety through safety recall campaigns, and we may regularly engage in voluntary recalls when we determine our products may have a safety issue. Issues subject to recall include both materials and workmanship from our companies as well as component parts supplied by our suppliers.

In addition, we cannot be certain that our product warranty provisions are adequate and that our insurance coverage will be sufficient to cover one or more substantial claims. Furthermore, we may not be able to obtain insurance coverage at acceptable levels and costs in the future. We cannot predict the levels of the premiums that we may be required to pay for subsequent insurance coverage, the level of any retention applicable thereto, the level of aggregate coverage available or the availability of coverage for specific risks. Litigation is inherently unpredictable, and we could incur judgments, receive adverse arbitration awards or enter into settlements for current or future claims that could adversely affect our results of operations.

There are legal defects regarding some of our leased properties.

We lease properties in the PRC and Australia for various purposes.

During the Track Record Period and up to the Latest Practicable Date, one lease agreement of our leased properties had not been registered and filed with the competent PRC government authorities as required by applicable PRC laws and regulations. Such leased property is primarily used as our office, with an aggregate GFA of approximately 20 sq.m. We cannot assure you that the lessor will cooperate and complete the registration in a timely manner. Although the failure to do so does not in itself invalidate the leases, we may be ordered by the relevant PRC government authorities to rectify such non-compliance and we may be subject to fines imposed by PRC government authorities. According to the Administrative Measures for Commercial Housing Leases (《商品房屋租賃管理辦法》), failure to complete the relevant lease registration may subject the parties to the lease agreement a fine between RMB1,000 to RMB10,000. As a result, if we fail to complete or timely complete such lease registration upon the housing authorities' request, we may face a total maximum fine up to RMB10,000. For details of our leased properties, see "Business — Properties." Having considered the foregoing, we were advised by our PRC Legal Advisor that failure of registration does not in itself invalidate the leases and the risk of governmental authorities imposing penalties on us with respect to these leased properties is relatively low if we timely complete such lease registration upon the relevant housing authorities' request. In addition, no penalty had been imposed on us for our failure to register and file the relevant lease agreements during the Track Record Period and up to the Latest Practicable Date.

With respect to the leases in Australia, during the Track Record Period and up to the Latest Practicable Date, seven of our leases in relation to certain premises in Queensland, Western Australia, Tasmania and New South Wales are not registered. Such premises are used for our self-owned stores, JV stores and office space. While such failure in registration of leases does not affect the enforceability or the binding nature of any of these leases, it will invoke the issue of indefeasible title, which means that a third party can challenge our claim over the leased properties since such properties are not registered. If any owners and/or new purchasers of such premises do not honor our leases, we may be forced to vacate from such premises. If we are unable to find suitable alternative premises or obtain new leases at desirable locations or on favorable terms in the event that we are required to vacate from such premises, our business operations may be disrupted, which will further have an adverse effect on our business, financial conditions and results of operations.

Unanticipated changes in our tax rates or trade policies that we are subject to, or exposure to additional income tax liabilities or regulations could affect our profitability.

We are subject to income taxes, capital gains taxes, value-added taxes and/or other taxes in the PRC and Australia. Our effective tax rate could be adversely affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, changes in the amount of earnings indefinitely reinvested offshore, changes to unrecognized tax benefits or changes in tax laws, which could affect our profitability. In particular, the carrying value of deferred tax assets is dependent on our ability to generate future taxable income, as well as changes to applicable statutory tax rates. In addition, the amount of income taxes that we pay is subject to audits in various jurisdictions, and a material assessment by a tax authority could affect our profitability.

Our tax filings are subject to audits by tax authorities in the various jurisdictions in which we do business. These audits may result in assessments of additional taxes that are subsequently resolved with the taxing authorities or through the courts. As the Latest Practicable Date, we believe there are no outstanding assessments whose resolution would result in a material adverse financial result. However, there can be no assurances that unasserted or potential future assessments would not have a material effect on our business, financial condition, or results of operations.

In addition, we are subject to a wide variety of complex domestic and international laws, rules and regulations, including trade policies and tax regimes. We are affected by new laws and regulations and changes to existing laws and regulations, including interpretations by the courts and regulators, whether prompted by changes in government administrations or otherwise. These laws, regulations and policies, and changes thereto, may result in restrictions or limitations to our current operational practices and processes and product/service offerings which could negatively impact our current cost structure, revenue streams, future tax obligations, the value of our deferred income tax assets, cash flows and overall financial position.

We may be subject to risks associated with our transfer pricing arrangement.

During the Track Record Period, our sales and exporting activities involved the intra-Group transactions. See "Financial Information — Transfer Pricing Arrangement." Our Transfer Pricing Advisor conducted independent analysis and confirmed that, during the Track Record Period, the weighted average price and profit levels of the intra-Group transactions were fair and fell within or above their respective profit range of arm's length transactions, which complied with the principle of independent transactions. Therefore, the Transfer Pricing Advisor is of the view that our pricing arrangements have been in compliance with the applicable laws, regulations and guidelines, including the transfer pricing guidelines for multinational enterprises and tax administrations promulgated by Organization for Economic Co-operation and Development (the "**OECD**") (the "**OECD Transfer Pricing Guidelines**"), and the risk of incurring material transfer pricing income tax is remote. However, there were uncertainties associated with the profit allocation and the tax position in respect of the intra-Group transactions. The tax treatments of these transaction arrangements may be subject to interpretation by the respective tax authorities in the PRC and Australia. There is no assurance that the tax authorities will not subsequently challenge the appropriateness of our transfer pricing arrangements or that the relevant regulations or standards governing such arrangement will not be subject to future changes. If any competent tax authority in the PRC or Australia later considers that our transfer pricing arrangements do not comply with the relevant transfer pricing laws and regulations, we may face adverse tax consequences including additional taxes, interests or penalties, which may result in a higher overall tax liability for us and may adversely affect our business, financial condition and operating results.

Our product research and development efforts may not yield the results as expected.

As a RV enterprise that designs, develops, manufactures and sells bespoke towable RVs, we invest in product research and development to establish and strengthen our market position. In 2021, 2022, and 2023 and for the six months ended June 30, 2024, our research and development expenses amounted to RMB2.8 million, RMB5.1 million, RMB8.0 million and RMB5.6 million, respectively.

As technologies evolve, we plan to upgrade or adapt our RVs and introduce new models with latest technologies, which will require us to invest resources in product research and development. Therefore, we expect that our research and development expenses may be significant. As product research and development activities are inherently uncertain, we cannot assure you that we will continue to achieve desirable developments from our product research and development activities and successfully commercialize such developments. Consequently, our significant product research and development efforts may not yield the results as expected. If our product research and development efforts fail to keep up with the latest technological developments, we could suffer a decline in our competitive position, which may materially and adversely affect our business, financial condition, and results of operations.

Natural disasters or other events outside of our control may disrupt our operations, adversely affect our business, financial condition, results of operations and prospects, and may not be fully covered by insurance.

Natural disasters, including hurricanes, fires, tornados, floods and other forms of severe weather, the intensity and frequency of which are being exacerbated by climate change, along with other impacts of climate change, such as rising sea waters, as well as other events outside of our control including public health crises, pandemics, power outages and industrial accidents, could in the future disrupt our operations and adversely affect our business.

Any of these events could result in physical damage to and/or complete or partial closure of one or more of our facilities and temporary or long-term disruption of our operations or the operations of our suppliers by causing business interruptions or by impacting the availability and cost of materials needed for production or otherwise impacting our ability to deliver products and services to our customers. Existing insurance arrangements may not provide full protection for the costs that may arise from such events.

The occurrence of any of these events could materially increase our costs and expenses and have a material adverse effect on our business, financial condition, results of operations and prospects.

Any failure to comply with PRC regulations regarding our employee equity incentive plans may subject the PRC plan participants or us to fines and other legal or administrative sanctions.

In February 2012, SAFE promulgated the Circular on Relevant Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plans of Overseas Publicly Listed Companies (關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知) ("**SAFE Circular 7**"). Under the SAFE Circular 7 and other relevant rules and regulations, PRC residents who participate in an equity incentive plan in an overseas publicly-listed company are required to register with SAFE or its local branches and complete certain other procedures. Participants of an equity incentive plan who are PRC residents must retain a qualified PRC agent, which could be a PRC subsidiary of the overseas publicly listed company or another qualified institution selected by the PRC subsidiary, to conduct the SAFE registration and other procedures with respect to the equity incentive plan on behalf of its participants. The participants must also retain an overseas entrusted institution to handle matters in connection with their exercise of stock options, the purchase and sale of corresponding stocks or interests and fund transfers. In addition, the PRC agent is required to amend the SAFE registration with respect to the equity incentive plan if there is any material change to the equity incentive plan, the PRC agent or the overseas entrusted institution or other material changes. We and our PRC employees who have been granted share options will be subject to these regulations upon the completion of this Global Offering. Failure of our PRC share option holders to complete their SAFE registrations may subject us or them to fines and legal sanctions and could restrict our ability to adopt additional incentive plans for our employees under the PRC laws.

The SAT has also issued relevant rules and regulations concerning employee share incentives. Under these rules and regulations, our employees working in the PRC will be subject to PRC individual income tax upon exercise of the share options. Our PRC subsidiary has obligations to file documents with respect to the granted share options or restricted shares with relevant tax authorities and to withhold individual income taxes for their employees upon exercise of the share options or grant of the restricted shares. If our employees fail to pay or we fail to withhold their individual income taxes according to relevant rules and regulations, we may face sanctions imposed by the competent governmental authorities.

Any uncertainties embedded in the legal systems of the principal places of our business could adversely affect our business, financial condition and results of operations and our investors could be affected as a result.

The legal systems of the jurisdictions where we operate vary significantly. China has a civil law system based on written statutes and Australia is based on common law. Unlike common law systems where the case laws have binding effects, prior court decisions under civil law systems may be cited for reference but have limited precedential value. We are based in China and our business in China are governed by PRC laws and regulations. The PRC legal system is a civil law system based on written statutes. Since the late 1970s, the PRC government has promulgated laws and regulations dealing with economic matters, such as foreign investment, corporate organization and governance, commerce, taxation and trade, with a view towards developing a comprehensive system of commercial law. However, as the legal system in China continues to develop, and many of these laws and regulations are relatively new and continue to evolve, these laws and regulations may be subject to interpretation. As other civil law countries, there is a limited volume of published court decisions, which may be cited for reference but are not binding on subsequent cases and have limited precedential value unless the Supreme People's Court otherwise provides.

While in Australia, where a common law system is adopted, we may also be exposed to changes in the regulatory conditions under which we operate. Such regulatory changes can include, for instance, changes in foreign investment laws, taxation laws and policies, accounting policies, regulation laws and policies, standards and practices that may impact our operations and processes, and employment laws and regulations, including occupational health and safety regulations. Any changes required to be made to our business model as a result of any legislative or regulatory changes (including licensing requirements) may result in a material loss of our revenue for and to the extent that fixed costs cannot be reduced and/or costs cannot be passed onto customers, which could adversely impact our financial performance.

As these laws and regulations are continually evolving in response to changing economic and other conditions, we cannot foresee how these laws, rules and regulations will be interpreted and enforced, which may adversely affect the legal protections and remedies that are available to investors and us.

We hold majority interest in two JV dealers and our operational and financial results will be affected by how these arrangements are managed.

We hold majority interest in two JV dealers in Australia. We established in Australia two JV dealers, namely Leisure Lion together with Green RV in July 2019 and United RV together with BUYIT RV PTY LTD in June 2023, under the respective JV agreements, with an aim to operating JV stores locally and promoting better market engagement and sales of RVs in Australia.

The success of our JV dealers depends on a number of factors, including the financial resources of the JV partners, their willingness and ability to honor their commitments under the JV agreements, the manner in which they exercise control, veto or other governance rights in respect of the JV dealers, the extent to which they cooperate in operational and strategic decisions with respect to the relevant mine, and the business growth of the JV dealers itself. If we become engaged in material disagreements with our JV partners, the operational and financial results of the JV dealers may be adversely affected.

It may be difficult to effect service of process, enforce foreign judgments and arbitral awards against us or our Directors and senior management.

We are incorporated in the Cayman Islands. Certain of our operating subsidiaries are incorporated in China and Australia. In addition, most of our Directors and senior management reside in China and Australia. A substantial amount of our assets and some of the assets of our management are located in China and Australia. As a result, it may be difficult or impracticable for you to effect service of process within Hong Kong upon us or these persons, to bring an action in Hong Kong against us or these individuals. Moreover, China does not have treaties with most of the other jurisdictions that provide for the reciprocal recognition and enforcement of judicial rulings and awards.

On July 14, 2006, the Supreme People's Court of China and Hong Kong entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned (關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排) ("**2006 Arrangement**"), which became effective on August 1, 2008. Pursuant to such arrangement, a party with a final judgment rendered by a Hong Kong court requiring payment of money in a civil and commercial case according to a choice of court agreement in writing may apply for recognition and enforcement of the judgment in China, and vice versa. However, it is subject to the parties in the dispute agreeing to enter into a choice of court agreement in writing under the 2006 Arrangement.

On January 18, 2019, the Supreme People's Court of China and Hong Kong entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排) ("**2019 Arrangement**"). The 2019 Arrangement became effective on January 29, 2024 after the Supreme People's Court promulgated judicial interpretations and relevant procedures were completed in Hong Kong. The 2019 Arrangement supersedes the 2006 Arrangement and afford greater clarity and certainty for reciprocal recognition and enforcement of judgments in civil and commercial matters. The 2006 Arrangement shall remain applicable to a "choice of court agreement in writing" entered into before the 2019 Arrangement taking effect. However, outcomes of any applications to recognize and enforce such judgments and arbitral awards in China will be subject to the PRC courts further adjudication in accordance with PRC laws, including the PRC civil procedure law.

Furthermore, an original action may only be brought in China against us or our Directors and senior management if the actions are not required to be arbitrated by PRC law and upon satisfaction of the conditions for commencing a cause of action pursuant to the PRC civil procedure law. As a result of the conditions set forth in the PRC civil procedure law, we cannot assure you whether investors will be able to bring an original action in China in this manner.

In addition, there may be practical difficulties for you to effect service of process in Australia regarding the proceedings against us brought in Hong Kong, as the legal procedures are complex and time-consuming. According to the applicable rules and regulations, any service of process from Hong Kong may be proceeded by delivering relevant documents to the Central Authority in Australia, which is the Private International and Commercial Law Section of the Commonwealth Attorney-General's Department, and will then be forwarded to the relevant registrar for approval. Such service of process procedure generally takes three to six months.

Laws and regulations over currency conversion and future fluctuation of Renminbi exchange rates could adversely affect our results of operations and financial condition, and may reduce the value of, and dividends payable on, our Shares in foreign currency terms.

The PRC government imposes laws and regulations on the convertibility of the Renminbi into foreign currencies and, in certain cases, the remittance of currency out of China. Under our current corporate structure, our Company in the Cayman Islands relies on dividend payments from our PRC subsidiary to fund any cash and financing requirements we may have. Under existing PRC foreign exchange regulations, payments of current account items, such as profit distributions and trade and service-related foreign exchange transactions, can be made in foreign currencies without the prior approval of SAFE, by complying with certain procedural requirements. Therefore, our PRC subsidiary is able to pay dividends in foreign currencies to us without prior approval from SAFE, subject to the condition that the remittance of such dividends outside of the PRC complies with certain procedures under PRC foreign exchange regulations, such as the overseas investment registration by the beneficial owners of our Company who are PRC residents. However, approval from or registration with appropriate governmental authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses, such as the repayment of loans denominated in foreign currencies.

The PRC government may further regulate access to foreign currencies for current account transactions in the future. If the foreign exchange regulation system makes it difficult for us to obtain sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our shareholders. Further, there is no assurance that new regulations will not be promulgated in the future that would have the effect of further regulating the remittance of Renminbi into or out of China.

The value of Renminbi against the Hong Kong dollar, the Australian dollar, the U.S. dollar and other currencies fluctuates, is subject to change resulting from the PRC government's policies, and depends to a large extent on domestic and international economic and global political developments as well as supply and demand in the local market. It is difficult to predict how market forces or government policies may impact the exchange rate between the Renminbi and the Hong Kong dollar, the Australian dollar, the U.S. dollar or other currencies in the future.

The proceeds from the Global Offering will be received in Hong Kong dollars. As a result, any appreciation of the Renminbi against the Hong Kong dollar may result in a decrease in the value of our proceeds from the Global Offering. Conversely, any depreciation of the Renminbi may affect the value of, and any dividends payable on, the Shares in foreign currency terms. Further, we may not be able to find suitable instruments to reduce our foreign currency risk exposure at reasonable costs. All of these factors could adversely affect our business, results of operations and financial condition, and could reduce the value of, and dividends payable on, the Shares in foreign currency terms.

We may be classified as a PRC resident enterprise for PRC enterprise income tax purposes under the EIT Law, and our income may be subject to PRC withholding tax under the EIT Law.

Under the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得税法) ("**EIT Law**"), an enterprise established outside of the PRC with a "de facto management body" within China is considered a resident enterprise and will be subject to the enterprise income tax on its global income at the rate of 25%. The implementation rules ("**EIT Rules**") define the term "de facto management body" as the body that exercises full and substantial control over, and overall management of, the business, production, personnel, accounts and properties of an enterprise. On April 22, 2009, the State Administration of Taxation (國家税務總局) ("**SAT**") issued a circular, known as Circular 82, which was last amended on December 29, 2017. Circular 82 provides certain specific criteria for determining whether the "de facto management body" of a PRC-controlled enterprise that is incorporated offshore is located in China. Although this circular only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those with no single individual controller like us, the criteria set forth in the circular may reflect the SAT's general position on how the "de facto management body" test should be applied in determining the tax resident status of all offshore enterprises. According to Circular 82, an offshore incorporated enterprise controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its "de facto management body" in China and will be subject to PRC enterprise income tax on its global income only if all of the following conditions are met: (1) the primary location of the day-to-day operational management is in China; (2) decisions relating to the enterprise's financial and human resource matters are made or are subject to approval by organizations or personnel; (3) the enterprise's primary assets, accounting books and records, company seal, and board and shareholder resolutions, are located or maintained in China; and (4) at least 50% of voting board members or senior executives habitually reside in China.

We believe none of our entities outside of China is a PRC resident enterprise for PRC tax purposes. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and we cannot be certain on how the tax authorities will interpret the term "de facto management body". As most of our management members are based in China, it remains unclear how the tax residency rule will apply to our case. If the PRC tax authorities determine that our Company or any of our subsidiaries outside of the PRC is a PRC resident enterprise for PRC enterprise income tax purposes, our Company or such subsidiary could be subject to PRC tax at a rate of 25% on its worldwide income, which could materially reduce our net profit. In addition, we will also be subject to PRC enterprise income tax reporting obligations. Furthermore, if the PRC tax authorities determine that we are a PRC resident enterprise for enterprise income tax purposes, gains realized on the sale or other disposition of our ordinary shares may be subject to PRC tax, at a rate of 10% in the case of non-PRC enterprises or 20% in the case of non-PRC individuals (in each case, subject to the provisions of any applicable tax treaty), if such gains are deemed to be from PRC sources. There is possibility that non-PRC shareholders of our Company would not be able to claim the benefits of any tax treaties between their country of tax residence and the PRC in the event that we are treated as a PRC resident enterprise. Any such tax may reduce the returns on your investment in our Shares.

PRC regulation of loans to and direct investments in PRC entities by offshore holding companies may make cause delay in our use of the proceeds of the Global Offering to make loan or additional capital contributions to our PRC subsidiary, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

We are an offshore holding company conducting our operations in China through our PRC subsidiary. We may make loans to our PRC subsidiary, subject to the administrative procedures and limitation of amount, or we may make additional capital contributions to our PRC subsidiary in China.

According to the relevant PRC regulations on foreign-invested enterprises in China, capital contributions to our PRC subsidiary are subject to the requirement of making necessary filings or reports in the Foreign Investment Comprehensive Management Information System, and registration with a local bank authorized by SAFE. In addition, any foreign loan procured by our PRC subsidiary is required to be registered with SAFE or its local branches. Also, any medium- or long-term loan exceeding one year to be provided by us must be recorded and registered by the National Development and Reform Committee. Our PRC subsidiary which is a foreign-invested enterprise cannot procure loans exceeding the statutory limits, which is either in the difference between the registered capital and the total investment amount of such foreign-invested enterprise or a multiple of the net assets of such foreign-invested enterprise in the previous year. Our PRC subsidiary which is a domestic enterprise cannot procure loans exceeding the multiples of the net assets of such enterprises in the previous year. We may not be able to complete such recording, filing or registrations on a timely basis, if at all, with respect to future capital contributions or foreign loans by us directly to our PRC subsidiary. If we fail to complete such recording, filing or registrations, our ability to use the proceeds of the Global Offering and to capitalize our PRC operations may be negatively affected, which could adversely affect our liquidity and our ability to fund and expand our business.

SAFE issued the Circular on the Reform of the Management Method for the Settlement of Foreign Exchange Capital of Foreign-invested Enterprises (國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知) ("**Circular 19**") which took effect on June 1, 2015 and amended on December 30, 2019 and March 23, 2023. SAFE further issued the Circular of the State Administration of Foreign Exchange on Reform and Standardization of the Management Policy of the Settlement of Capital Projects (國家外匯管理局關於改革和規範資本項目結匯管理政策的通知) ("**Circular 16**"), effective on June 9, 2016, which, among other things, amend certain provisions of Circular 19. The Circular 19 and the Circular 16 allow for the use of Renminbi converted from the foreign currency-denominated capital for equity investments in the PRC, provided that such usage shall fall into the scope of business of the foreign invested enterprise, which will be regarded as the reinvestment of foreign-invested enterprise. In addition, SAFE promulgated the Circular on Further Facilitating the Convenience of Cross-border Trade and Investment (國家外匯管理局關於進一步促進跨境貿易投資便利化的通知) ("**SAFE Circular 28**") on October 23, 2019, which took effect on the same day. SAFE Circular 28, subject to certain conditions, allows foreign-invested enterprises whose business scope does not include investment, or non-investment foreign-invested enterprises, to use their capital funds to make equity investments in China. As of the Latest Practicable Date, its interpretation and implementation in practice continued to evolve. Whether SAFE will permit such capital funds to be used for equity investments in the PRC is subject to SAFE's case-by-case determination in practice. The Circular 19, the Circular 16 and SAFE Circular 28 may affect our ability to transfer to and use in China the net proceeds from the Global Offering, which may adversely affect our business, results of operations and financial condition.

Dividends payable by us to our foreign investors and gains on the sale of our Shares may become subject to withholding taxes under PRC tax laws.

Under the PRC EIT Law and the EIT Rules, its implementation regulations, subject to any applicable tax treaty or similar arrangement between the PRC and your jurisdiction of residence that provides otherwise, we may be deemed as a PRC resident enterprise by the PRC tax authorities for tax purpose. PRC income tax at the rate of 10% is applicable to dividends payable by a PRC "resident enterprise" to investors that are "non-resident enterprises" (i.e., those enterprises that do not have an establishment or place of business in China, or those that have such an establishment or place of business but the relevant income of which is not effectively connected with the establishment or place of business) to the extent such dividends have their source within China. Similarly, any gain realized on the transfer of shares by such enterprises is also subject to 10% PRC income tax if such gain is regarded as income derived from sources within China. If the dividends we pay to our shareholders are regarded as income derived from sources within China, we may be required to withhold a 10% PRC withholding tax for the dividends we pay to our investors who are non-PRC enterprise shareholders.

Under PRC Individual Income Tax Law (中華人民共和國個人所得稅法) and its implementation rules, dividends from sources within China paid to foreign individual investors who are not PRC residents and gains from PRC sources realized by such investors on the transfer of share are generally subject to PRC income tax at a rate of 20% for individuals. Any PRC tax may be reduced or exempted under applicable tax treaties or similar arrangements.

If we are treated as a PRC resident enterprise, dividends we pay with respect to our Shares, or the gain realized from the transfer of our Shares, may be treated as income derived from sources within China and as a result be subject to the PRC income taxes described above. See "— We may be classified as a PRC resident enterprise for PRC enterprise income tax purposes under the EIT Law, and our income may be subject to PRC withholding tax under the EIT Law.” However, shareholders who are not PRC tax residents and seek to enjoy preferential tax rates under relevant tax treaties may apply to the PRC tax authorities to be recognized as eligible for such benefits in accordance with the Announcement of State Taxation Administration on Promulgation of the Administrative Measures on Non-resident Taxpayers Enjoying Treaty Benefits (國家稅務總局關於發佈《非居民納稅人享受協定待遇管理辦法》的公告), which was issued on October 14, 2019 and took effect on January 1, 2020. If determined to be ineligible for the applicable tax treaty benefits, gains obtained from sales of our Shares and dividends on our Shares paid to such Shareholders would subject to higher PRC tax rates. In such cases, the value of your investment in our Shares may be materially affected by the unfavorable tax treatment.

The regulations over indirect transfers of PRC assets by the PRC tax authorities may have a negative impact on our business operations, our acquisition or restructuring strategy or the value of your investment in us.

On February 3 2015, the SAT promulgated the Announcement of SAT on Several Issues Concerning Enterprise Income Tax on Income from Indirect Transfer of Assets by Non-Resident Enterprises (關於非居民企業間接轉讓財產企業所得稅若干問題的公告) (“**SAT Public 7**”), which provides comprehensive guidelines relating to, and heightened the PRC tax authorities’ scrutiny on indirect transfers, by a non-resident enterprise, of assets (including equity interests) of a PRC resident enterprise.

There is uncertainty as to the application of SAT Public 7. We and our existing non-resident investors may become at risk of being taxed under SAT Public Notice 7 and may be required to expend valuable resources to comply with SAT Public Notice 7 or to establish that we should not be taxed under SAT Public Notice 7, which may adversely affect our results of operations and financial condition or such non-resident investors’ investments in us. We cannot assure you that the PRC tax authorities will not, adjust any capital gains and impose tax return filing obligations on us or require us to provide assistance for the investigation of PRC tax authorities with respect thereto. Any PRC tax imposed on a transfer of our Shares or any adjustment of such gains would cause us to incur additional costs and may affect the value of your investment in us.

RISKS RELATING TO THE GLOBAL OFFERING

There has been no prior market for our Shares, and their liquidity and market price following the Global Offering may be volatile.

There was no public market for our Shares prior to the Global Offering. There can be no guarantee that a public market for our Shares with adequate liquidity and trading volume will develop and be sustained following the completion of the Global Offering. In addition, the Offer Price of our Shares is expected to be fixed by agreement between the Overall Coordinators (for themselves and on behalf of the Underwriters) and us, which may not be indicative of the market price of our Shares following the completion of the Global Offering. If an active public market for our Shares does not develop following the completion of the Global Offering, the market price and liquidity of our Shares may be materially and adversely affected.

Potential investors will experience immediate and substantial dilution as a result of the Global Offering and could face dilution as a result of future equity financings.

As the Offer Price of our Shares is higher than the net tangible assets per Share immediately prior to the Global Offering, purchasers of our Shares in the Global Offering will experience an immediate dilution in pro forma adjusted net tangible assets. Our existing Shareholders will receive an increase in the pro forma adjusted net tangible asset value per Share of their shares. In addition, holders of our Shares may experience further dilution of their interest if the Underwriters exercise the Over-allotment Option or if we issue additional shares in the future to raise additional capital.

Future or perceived sales of substantial amounts of our Shares could affect their market price.

Future sales of substantial amounts of our Shares or other securities relating to our Shares in the public market, or the issuance of new Shares or other securities relating to our Shares, or the perception that such sales or issuances may occur could all cause a decline in the market price of our Shares. Future sales, or perceived sales, of substantial amounts of our securities or other securities relating to our Shares, including part of any future offerings, could also materially and adversely affect the prevailing market price of our Shares and our ability to raise capital in the future at a time and at a price which we deem appropriate.

Our Controlling Shareholders have substantial influence over the Company, and our Controlling Shareholders' interests may not always be aligned with the interests of our other Shareholders.

Our Controlling Shareholders collectively have significant influence in determining the outcome of any corporate transaction or other matter submitted to the Shareholders for approval, including but not limited to mergers, privatizations, consolidations and the sale of all, or substantially all, of our assets, election of directors, and other significant corporate actions. Immediately following the completion of the Capitalization Issue and the Global Offering, the group of our Controlling Shareholders will be together entitled to control in aggregate approximately 74.4% of our total issued share capital and thus remain as a group of Controlling Shareholders upon Listing. The interests of the group of our Controlling Shareholders might differ from the interests of our other Shareholders. In the event that the group of our Controlling Shareholders cause us to pursue strategic objectives that conflict with the interests of our other Shareholders, our other Shareholders could be disadvantaged and their interests could be damaged. Any conflict of interest between the group of our Controlling Shareholders and our other Shareholders may also materially and adversely affect the aspects such as the decision and implementation of our business plans, which may in turn affect our operations and prospects.

We may not pay any dividends in the future.

Our ability to pay dividends will depend on whether we are able to generate sufficient earnings. Distributions of dividends shall be decided by our Board of Directors at their discretion and will be subject to the approval of the general meeting. A decision to declare or to pay dividends and the amount thereof depend on various factors, including but not limited to our results of operations, cash flows and financial position, operating and capital expenditure requirements, distributable profits as determined under PRC GAAP or HKFRSs (whichever is lower), our Articles of Association and other constitutional documents, the PRC Company Law, the Australian Corporations Act 2001 and any other applicable laws and regulations in China and Australia, market conditions, our strategy and projection for our business, contractual restrictions and obligations, taxation, regulatory restrictions and any other factors from time to time deemed by our Board of Directors as relevant to the declaration or suspension of dividends. As a result, there can be no assurance whether, when and in what form we will pay dividends in the future. Subject to any of the above constraints, we may not be able to pay dividends in accordance with our dividend policy.

We are a Cayman Islands company and you may face difficulties in protecting your interests under the laws of the Cayman Islands.

Our corporate affairs are governed by our Memorandum of Association, Articles of Association, the Cayman Companies Act, and the common law of the Cayman Islands. Your rights, as a Shareholder, to take action against the Directors, the rights of minority Shareholders to institute actions and the fiduciary responsibilities of our Directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands. There may be difficulty in protecting your interest under the law of Cayman Islands.

We have significant discretion as to how we will use the net proceeds of the Global Offering, and you may not necessarily agree with how we use them.

Our Directors and management will have considerable discretion in the application of the net proceeds received by us from the Global Offering. The net proceeds may be used for corporate purposes that do not improve our efforts to achieve or maintain profitability or increase the price of Shares. The net proceeds from the Global Offering may be placed in investments that do not produce income or that lose value. You will not have the opportunity, as part of your investment decision, to assess whether proceeds are being used appropriately.

You should only rely on the information included in this Prospectus to make your investment decision, and we strongly caution you not to rely on any information contained in press articles or other media coverage relating to us, our Shares or the Global Offering.

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the Global Offering. Prior to the publication of this Prospectus, there has been press and media coverage regarding us and the Global Offering. Such press and media coverage may include references to certain information that does not appear in this Prospectus, including certain operating and financial information and projections, valuations and other information. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this Prospectus, we disclaim responsibility for it and you should not rely on such information.

Forward-looking statements contained in this Prospectus are subject to risks and uncertainties.

This Prospectus contains forward-looking statements with respect to our business strategies, operating efficiencies, competitive positions, and growth opportunities for existing operations, plans and objectives of management, certain pro forma information and other matters. The words "will," "expect," "anticipate," "estimate," "believe," "going forward," "ought to," "may," "seek," "should," "intend," "plan," "projection," "could," "vision," "goals," "objective," "target," "schedule," "predict," "aim," "intend," "consider," "would," "continue" and "outlook" and the negative of these terms and other similar expressions identify a number of these forward-looking statements. These forward-looking statements, including, among others, those relating to our future business prospects, capital expenditure, cash flows, working capital, liquidity and capital resources are necessary estimates reflecting the best judgment of our Directors and management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a result, these forward-looking statements should be considered in light of various important factors, including those set out in "Risk Factors" in this Prospectus. Accordingly, such statements are not a guarantee of future performance and you should not place undue reliance on any forward-looking information. All forward-looking statements in this Prospectus are qualified by reference to this cautionary statement.

Certain facts, forecasts and statistics contained in this Prospectus are derived from various official or third-party sources and may not be accurate, reliable, complete or up to date.

Facts, forecasts and statistics in this Prospectus relating to the RV market are obtained from third-party reports, either commissioned by us or publicly accessible, and other publicly available sources. We engaged Frost & Sullivan to prepare the Frost & Sullivan Report, an independent industry report, in connection with the Global Offering. We believe that the sources of this information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. The information from official government sources has not been independently verified by us, the Sole Sponsor, the Bookrunner, the Lead Manager, the Underwriters, any of their respective directors and advisers, or any other party involved in the Global Offering and no representation is given as to its accuracy. In any event, you should consider carefully the importance placed on such information or statistics.

If securities or industry analysts do not publish research reports about our business, or if they adversely change their recommendations regarding our Shares, the market price and trading volume of our Shares may decline.

The trading market for our Shares will be influenced by the research and reports that industry or securities analysts publish about us or our business. If one or more of the analysts who cover us downgrade our Shares, the price of our Shares would likely decline. If one or more of these analysts cease coverage of our Company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline.

We have no experience of operating as a public company.

We have no experience conducting our operations as a public company. After we become a public company, we may face enhanced administrative and compliance requirements, which may result in substantial costs.

In addition, since we are becoming a public company, our management team will need to develop the expertise necessary to comply with the numerous regulatory and other requirements applicable to public companies, including requirements relating to corporate governance, listing standards and securities and investor relationships issues. As a public company, our management will have to evaluate our internal controls system with new thresholds of materiality, and to implement necessary changes to our internal controls system. We cannot guarantee that we will be able to do so in a timely and effective manner. Failure to effectively manage these new demands could adversely impact our operational efficiency and financial health, affecting our business and market perception.

In preparation for the Global Offering, our Company has sought the following waivers from strict compliance with the relevant provisions of the Listing Rules.

WAIVER IN PRESENCE OF MANAGEMENT IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, we must have sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong.

Since most of the business operations of our Group are managed and conducted outside of Hong Kong, and all of the executive Directors of our Company ordinarily reside outside Hong Kong, our Company considers that it would be practically difficult and commercially unreasonable and undesirable for our Company to arrange for two executive Directors to be ordinarily resident in Hong Kong, either by means of relocation of existing executive Directors or appointment of additional executive Directors. Therefore, our Company does not have, and does not contemplate in the foreseeable future that we will have sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules.

Accordingly, we have applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules, subject to the following conditions. We will ensure that there is an effective channel of communication between us and the Stock Exchange by way of the following arrangements:

(i) **Authorized representatives:** we have appointed Mr. Miao, our executive Director, chairman and chief executive officer, and Ms. JIAN Xuegen (簡雪艮) ("**Ms. Jian**"), one of our joint company secretaries, as the authorized representatives ("**Authorized Representatives**") for the purpose of Rule 3.05 of the Listing Rules who will act at all times as our principal channel of communication with the Stock Exchange. The Authorized Representatives will be available to meet with the Stock Exchange upon reasonable notice and will be readily contactable by phone, facsimile and email to deal promptly with enquiries from the Stock Exchange. The Authorized Representatives are duly authorized to communicate on behalf of the Company with the Stock Exchange and will have all necessary means to contact all Directors (including the independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact them on any matter. In the event that a Director expects to travel, he or she will provide (i) his/her mobile phone number, office number, email address and facsimile number (if any) to the Authorized Representatives; and (ii) phone number of the place of his/her accommodation to the Authorized Representatives or maintain an open line of communication via his/her mobile phone. See "Directors and Senior Management" for more information about our Authorized Representatives;

(ii) **Joint company secretaries:** the Company has appointed Mr. CHANG Ke (常可) ("**Mr. Chang**"), and Ms. Jian, as our joint company secretaries. Mr. Chang and Ms. Jian will, among other things, act as our additional channel of communication with the Stock Exchange and be able to answer enquiries from the Stock Exchange. Mr. Chang and Ms. Jian will maintain constant contact with the Directors and senior management team members through various means, including regular meetings and telephone discussions whenever necessary;

(iii) **Directors:** to the best of our knowledge and information, all the Directors who are not ordinarily resident in Hong Kong have or can apply for valid travel documents to visit Hong Kong for business purposes and would be able to meet with the Stock Exchange upon reasonable notice. Any meeting between the Stock Exchange and the Directors can be arranged through our Authorized Representatives or compliance advisor, or directly with the Directors within a reasonable timeframe;

(iv) **Compliance advisor:** we have appointed Caitong International Capital Co., Limited as our compliance advisor (the "**Compliance Advisor**") upon Listing pursuant to Rule 3A.19 of the Listing Rules for a period commencing on the Listing Date and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the Listing Date. The Compliance Advisor will act as the additional channel of communication with the Stock Exchange and answer enquiries from the Stock Exchange. The Compliance Advisor will also provide us with professional advice on continuing obligations under the Listing Rules. The contact details of the Compliance Advisor have been provided to the Stock Exchange. We will also inform the Stock Exchange promptly in respect of any change in the Compliance Advisor; and

(v) **Hong Kong legal advisors:** in addition to the Compliance Advisor's role and responsibilities after the proposed Listing of the Company, which includes, among other things, to inform us on a timely basis of any amendment or supplement to the Listing Rules and any new or amended law, regulation or code in Hong Kong applicable to us and to provide advice to us on the continuing requirements under the Listing Rules and applicable laws and regulations, our Company expects to retain Hong Kong legal advisors to advise on matters relating to the application of the Listing Rules including but not limited to, the on-going compliance requirements, any amendment or supplement to and other issues arising under the Listing Rules and other applicable Hong Kong laws and regulations after Listing.

WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES

Pursuant to Rule 8.17 of the Listing Rules, we must appoint a company secretary who satisfies the requirements under Rule 3.28 of the Listing Rules. According to Rule 3.28 of the Listing Rules, we must appoint as our company secretary an individual, who, by virtue of his or her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary.

Pursuant to Note 1 to Rule 3.28 of the Listing Rules, the Stock Exchange considers the following academic or professional qualifications to be acceptable:

(i) a Member of The Hong Kong Chartered Governance Institute;

(ii) a solicitor or barrister (as defined in the Legal Practitioners Ordinance); and

(iii) a certified public accountant (as defined in the Professional Accountants Ordinance).

In addition, pursuant to Note 2 to Rule 3.28 of the Listing Rules provides that, in assessing "relevant experience", the Stock Exchange will consider the individual's:

(i) length of employment with the issuer and other issuers and the roles he/she played;

(ii) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code and Mergers and Share Buy-backs;

(iii) relevant training taken and/or to be taken in addition to be the minimum requirement under Rule 3.29 of the Listing Rules; and

(iv) professional qualifications in other jurisdictions.

The Company appreciates that the company secretary will play an important role in its corporate governance following the Company's proposed Listing, particularly in assisting the Company and its Directors in complying with the Listing Rules and other applicable company and securities laws and regulations. The Company also understands that since its principal business activities are primarily outside Hong Kong and its Directors and members of the senior management do not reside in Hong Kong, it is particularly important that its company secretary has experience relevant to the Company's operations in discharging his/her function as a joint company secretary.

We have appointed Mr. Chang and Ms. Jian of SWCS Corporate Services Group (Hong Kong) Limited as our joint company secretaries. Since Mr. Chang does not possess any of the qualification required under Rules 3.28 and 8.17 of the Listing Rules, he is not able to solely fulfill the requirements of a company secretary of a listed issuer as stipulated under Rules 3.28 and 8.17 of the Listing Rules. Ms. Jian is a member of the Hong Kong Institute of Certified Public Accountants and a member of the Chinese Institute of Certified Public Accountants, and therefore meets the qualification requirements under Note 1 to Rule 3.28 of the Listing Rules and is in compliance with Rule 8.17 of the Listing Rules. For details of biographical information of Mr. Chang and Ms. Jian, see "Directors and Senior Management — Joint Company Secretaries."

The joint company secretaries will be jointly discharging the duties and responsibilities of a company secretary. Ms. Jian will be assisting Mr. Chang in gaining the relevant experience required under Rules 3.28 and 8.17 of the Listing Rules. Also, Mr. Chang will be assisted by (a) the Compliance Advisor of our Company for the first full financial year starting from the Listing Date, particularly in relation to Hong Kong corporate governance practice and compliance matters; and (b) the Hong Kong legal advisor of our Company, and other professional advisors on matters regarding our Company's ongoing compliance with the Listing Rules and the applicable Hong Kong laws and regulations. In addition, Mr.

Chang will endeavor to attend relevant trainings and familiarize himself with the Listing Rules and duties required of a company secretary of an issuer listed on the Stock Exchange. We have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Mr. Chang may be appointed as a joint company secretary of our Company.

Pursuant to Chapter 3.10 of the Guide for New Listing Applicants issued by the Stock Exchange, the waiver will be for a fixed period of time not exceeding three years (the "**Waiver Period**") and on the following conditions: (1) Mr. Chang must be assisted by Ms. Jian who possesses the specific qualification and relevant experience under Rule 3.28 of the Listing Rules throughout the Waiver Period so as to enable Mr. Chang to acquire the relevant experience (as required under Note 2 to Rule 3.28 of the Listing Rules) to duly discharge his duties; and (2) the waiver can be revoked if there are material breaches of the Listing Rules by the issuer. The waiver is valid for an initial period of a three-year period on the condition that Mr. Jian, as a joint company secretary of our Company, will work closely with, and provide assistance to, Mr. Chang in the discharge of his duties as a joint company secretary and in gaining the relevant experience as required under Rule 3.28 of the Listing Rules and to become familiar with the requirements of the Listing Rules and other applicable Hong Kong laws and regulations. The waiver will be revoked immediately if Ms. Jian ceases to provide assistance to Mr. Chang as the joint company secretary for the three-year period after Listing.

Our Company will further ensure that Mr. Chang has access to the relevant training and support that would enhance his understanding of the Listing Rules and the duties of a company secretary of an issuer listed on the Stock Exchange, and to receive updates on the latest changes to the applicable Hong Kong laws, regulations and the Listing Rules. Prior to the end of the three-year period, the qualifications and experience of Mr. Chang and the need for on-going assistance of Ms. Jian will be further evaluated by our Company. Before the end of the three-year period, we will demonstrate and seek the Stock Exchange's confirmation that, Mr. Chang, having benefited from the assistance of Ms. Jian for the preceding three years, will have acquired the skills necessary to carry out the duties of company secretary and the "relevant experience" within the meaning of Rule 3.28 Note 2 of the Listing Rules and is capable of discharging the functions of company secretary so that a further waiver will not be necessary.

CONNECTED TRANSACTIONS

We have entered into an one-off connected transaction, and expect to continue, certain transactions that will constitute partially-exempt continuing connected transactions of our Company under the Listing Rules upon Listing as described in the section headed "Connected Transactions" of this Prospectus. Our Directors consider that strict compliance with the applicable requirement under the Listing Rules would be impracticable and may lead to unnecessary administrative costs on our Company. Accordingly, we have applied for, and the Stock Exchange has granted to us, a waiver from strict compliance with the applicable requirements under Chapter 14A of the Listing Rules once the Shares are listed on the Stock Exchange in respect of such partially-exempt continuing connected transactions. For further details, see "Connected Transactions."

DIRECTORS' RESPONSIBILITY STATEMENT

This Prospectus, for which our Directors (including any proposed director who is named as such in this Prospectus) collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information to the public with regard to our Group. Our Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

CSRC FILING

We have obtained a filing notice dated September 6, 2024 from the CSRC for the Global Offering and the Listing. In granting such filing notice, the CSRC accepts no responsibility for the financial soundness of us or for the accuracy of any of the statements made or opinions expressed in this Prospectus. No other approvals under the PRC laws and regulations are required to be obtained for the Global Offering or the Listing.

INFORMATION ON THE GLOBAL OFFERING

This Prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. For applicants under the Hong Kong Public Offering, this Prospectus sets out the terms and conditions of the Hong Kong Public Offering.

The Hong Kong Offer Shares are offered solely on the basis of the information contained and representations made in this Prospectus and on the terms and subject to the conditions set out herein and therein. No person is authorized to give any information in connection with the Global Offering or to make any representation not contained in this Prospectus, and any information or representation not contained herein must not be relied upon as having been authorized by our Company, the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and any of the Underwriters, any of their respective directors, agents, employees or advisors or any other party involved in the Global Offering.

The Listing is sponsored by the Sole Sponsor and the Global Offering is managed by the Overall Coordinators. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms and conditions of the Hong Kong Underwriting Agreement and is subject to us and the Overall Coordinators (for itself and on behalf of the Hong Kong Underwriters) agreeing on the Offer Price. The International Offering is expected to be fully underwritten by the International Underwriters subject to the terms and conditions of the International Underwriting Agreement, which is expected to be entered into on or around the Price Determination Date.

The Offer Price is expected to be determined between the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company on the Price Determination Date. The Price Determination Date is expected to be on or around Thursday, January 9, 2025 and, in any event not later 12:00 noon on Thursday, January 9, 2025. If, for any reason, the Offer Price is not agreed among us and the Overall Coordinators (for itself and on behalf of the Underwriters), the Global Offering will not proceed and will lapse. For full information about the Underwriters and the underwriting arrangements, please see the section headed "Underwriting" in this Prospectus.

Neither the delivery of this Prospectus nor any offering, sale or delivery made in connection with the Shares should, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in our affairs since the date of this Prospectus or imply that the information contained in this Prospectus is correct as of any date subsequent to the date of this Prospectus.

PROCEDURES FOR APPLICATION FOR THE HONG KONG OFFER SHARES

The procedures for applying for the Hong Kong Offer Shares are set forth in the section headed "How to Apply for the Hong Kong Offer Shares" in this Prospectus.

STRUCTURE OF THE GLOBAL OFFERING

Details of the structure of the Global Offering, including its conditions, are set out in the section headed "Structure of the Global Offering" in this Prospectus.

RESTRICTIONS ON OFFER AND SALE OF THE OFFER SHARES

Each person acquiring the Hong Kong Offer Shares under the Hong Kong Public Offering will be required to, or be deemed by his acquisition of Offer Shares to, confirm that he is aware of the restrictions on offers and sales of the Offer Shares described in this Prospectus.

No action has been taken to permit a public offering of the Offer Shares or the general distribution of this Prospectus in any jurisdiction other than in Hong Kong. Accordingly, this Prospectus may not be used for the purposes of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this Prospectus and the offering of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions and pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Stock Exchange for the granting of the approval for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Capitalization Issue and the Global Offering (including the Shares which may be issued pursuant to the exercise of the Over-allotment Option).

No part of our share or loan capital is listed on or dealt in on any other stock exchange and no such listing or permission to list is being or proposed to be sought in the near future.

COMMENCEMENT OF DEALINGS IN THE SHARES

Dealings in the Shares on the Stock Exchange are expected to commence at 9:00 a.m. on Monday, January 13, 2025. The Shares will be traded in board lots of 2,000 Shares each. The stock code of the Shares will be 0805.

THE SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

If the Stock Exchange grants the approval for the listing of, and permission to deal in, the Shares and we comply with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second settlement day after any trading day. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time. Investors should seek the advice of their stockbroker or other professional advisor for details of the settlement arrangement as such arrangements may affect their rights and interests. All necessary arrangements have been made to enable the Shares to be admitted into CCASS.

PROFESSIONAL TAX ADVICE RECOMMENDED

You should consult your professional advisors if you are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of, or dealing in, the Shares or exercising any rights attaching to the Shares. We emphasize that none of us, Sole Sponsor, the Sponsor-Overall Coordinator, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of our or their respective directors, officers or representatives or any other person involved in the Global Offering accepts responsibility for any tax effects or liabilities resulting from your subscription, purchase, holding or disposing of, or dealing in, the Shares or your exercise of any rights attaching to the Shares.

REGISTER OF MEMBERS AND STAMP DUTY

Our principal register of members will be maintained by our principal share registrar, Harneys Fiduciary (Cayman) Limited in the Cayman Islands and our Hong Kong register of members will be maintained by our Hong Kong Share Registrar, Tricor Investor Services Limited in Hong Kong.

All Offer Shares issued pursuant to applications made in the Hong Kong Public Offering and the International Offering will be registered on our Hong Kong register of members. Dealings in the Shares registered on our Hong Kong register of members will be subject to Hong Kong stamp duty. For further details of Hong Kong stamp duty, please seek professional tax advice.

EXCHANGE RATE CONVERSION

Solely for your convenience, this Prospectus contains translations among certain amounts denominated in Renminbi, Hong Kong dollars, U.S. dollars and Australia dollars.

Unless otherwise specified, amounts denominated in Hong Kong dollars and Renminbi have been translated, for the purpose of illustration only, into U.S. dollars and Australia dollars in this Prospectus at the following exchange rates:

HK$1.00: RMB0.92468

US$1.00: RMB7.1870

US$1.00: HK$7.7724

A$1.00: RMB4.5205

The above exchange rates were quoted by the People's Bank of China for foreign exchange transactions prevailing on December 23, 2024.

No representation is made that any amounts in Renminbi, Hong Kong dollars, U.S. dollars or Australia dollars can be or could have been at the relevant dates converted at the above rates or any other rates or at all.

ROUNDING

Certain amounts and percentage figures included in this Prospectus have been subject to rounding adjustments, or have been rounded to a set number of decimal places. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart in this Prospectus between totals and sums of amounts listed therein are due to rounding.

LANGUAGE

If there is any inconsistency between the English version of this Prospectus and the Chinese translation of this Prospectus, the English version of this Prospectus shall prevail unless otherwise stated. However, if there is any inconsistency between the names of any of the entities mentioned in the English version of this Prospectus which are not in the English language and their English translations, the names in their respective original language shall prevail.

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. MIAO Xuezhong (繆雪中)	Room 703, Building 8 Lane 199, Zixia Road Huangpu District Shanghai PRC	Chinese
Mr. LIU Tao (劉濤)	Room 102, No.1, Sub-lane 56 Lane 8889, Zhongchun Road Minhang District Shanghai PRC	Chinese
Ms. LIU Qin (劉芹)	Room 2603, Building 24 Fusheng Mingdi, Dongshan Street Nanhu District, Jiaxing City Zhejiang Province PRC	Chinese
Mr. Andrew Robert CRANK	11 Warringine Creek Lane Bittern, 3918 Victoria Australia	Australian
Independent Non-executive Directors		
Ms. HE Jie (何潔)	Room 1802, No. 1 Lane 2125, Hongmei Road Xuhui District Shanghai PRC	Chinese
Mr. YU Mingyang (余明陽)	Room 2002, Building 16 No. 726, Xinhua Road Changning District Shanghai PRC	Chinese
Ms. NG Weng Sin (吳永蒨)	5/F, 267 Castle Peak Road Cheung Sha Wan, Kowloon Hong Kong	Chinese

Further information is set out in the section headed "Directors and Senior Management" in this Prospectus.

PARTIES INVOLVED IN THE GLOBAL OFFERING

Sole Sponsor, Sponsor-Overall Coordinator and Overall Coordinator	**Huatai Financial Holdings (Hong Kong) Limited** 62/F, The Center 99 Queen's Road Central Hong Kong
Overall Coordinators (in alphabetical order)	**CLSA Limited** 18/F, One Pacific Place 88 Queensway Hong Kong
	CMB International Capital Limited 45/F, Champion Tower 3 Garden Road Central Hong Kong
Joint Global Coordinators	**Huatai Financial Holdings (Hong Kong) Limited** 62/F, The Center 99 Queen's Road Central Hong Kong
	CLSA Limited 18/F, One Pacific Place 88 Queensway Hong Kong
	CMB International Capital Limited 45/F, Champion Tower 3 Garden Road Central Hong Kong
	BOCI Asia Limited 26/F, Bank of China Tower 1 Garden Road Central Hong Kong
	Shenwan Hongyuan Securities (H.K.) Limited Level 6, Three Pacific Place 1 Queen's Road East Hong Kong

Joint Bookrunners and Joint Lead Managers	**Huatai Financial Holdings (Hong Kong) Limited** 62/F, The Center 99 Queen's Road Central Hong Kong
	CLSA Limited 18/F, One Pacific Place 88 Queensway Hong Kong
	CMB International Capital Limited 45/F, Champion Tower 3 Garden Road Central Hong Kong
	BOCI Asia Limited 26/F, Bank of China Tower 1 Garden Road Central Hong Kong
	Shenwan Hongyuan Securities (H.K.) Limited Level 6, Three Pacific Place 1 Queen's Road East Hong Kong
	First Shanghai Securities Limited 19/F, Rm 2402–04 & 2505–10 Wing On House 71 Des Voeux Road Central Hong Kong
	Fosun International Securities Limited Suite 2101–2105, 21/F, Champion Tower 3 Garden Road Central Hong Kong
	I Win Securities Limited Room 3001–3002, 30/F China Insurance Group Building 141 Des Voeux Road Central Central Hong Kong

Livermore Holdings Limited
Unit 1214A, 12/F,
Tower II Cheung Sha Wan Plaza
833 Cheung Sha Wan Road
Kowloon
Hong Kong

TradeGo Markets Limited
Room 3405, West Tower
Shun Tak Centre
168–200 Connaught Road Central
Hong Kong

Wanhai Securities (HK) Limited
Room 4037, Sun Hung Kai Center
30 Harbout Road
Wan Chai
Hong Kong

Winbull Securities International (Hong Kong) Limited
Unit A, 26/F, United Centre
95 Queensway, Admiralty
Hong Kong

Capital Market Intermediaries

Huatai Financial Holdings (Hong Kong) Limited
62/F, The Center
99 Queen's Road Central
Hong Kong

CLSA Limited
18/F, One Pacific Place
88 Queensway
Hong Kong

CMB International Capital Limited
45/F, Champion Tower
3 Garden Road
Central
Hong Kong

BOCI Asia Limited
26/F, Bank of China Tower
1 Garden Road
Central
Hong Kong

Shenwan Hongyuan Securities (H.K.) Limited
Level 6, Three Pacific Place
1 Queen's Road East
Hong Kong

First Shanghai Securities Limited
19/F, Rm 2402–04 & 2505–10 Wing On House
71 Des Voeux Road Central
Hong Kong

Fosun International Securities Limited
Suite 2101–2105, 21/F, Champion Tower
3 Garden Road
Central
Hong Kong

I Win Securities Limited
Room 3001–3002, 30/F
China Insurance Group Building
141 Des Voeux Road Central
Central
Hong Kong

Livermore Holdings Limited
Unit 1214A, 12/F,
Tower II Cheung Sha Wan Plaza
833 Cheung Sha Wan Road
Kowloon
Hong Kong

TradeGo Markets Limited
Room 3405, West Tower
Shun Tak Centre
168–200 Connaught Road Central
Hong Kong

Wanhai Securities (HK) Limited
Room 4037, Sun Hung Kai Center
30 Harbout Road
Wan Chai
Hong Kong

Winbull Securities International (Hong Kong) Limited
Unit A, 26/F, United Centre
95 Queensway, Admiralty
Hong Kong

Legal Advisors to the Company

As to Hong Kong law:
Jia Yuan Law Office
7/F and 17/F
238 Des Voeux Road Central
Sheung Wan
Hong Kong SAR

As to Cayman Islands law:
Harney Westwood & Riegels
3501 The Center
99 Queen's Road Central
Hong Kong

As to PRC law:
Hylands Law Firm
3/11/12F Fortune Financial Center
No.5 Dongsanhuan Zhong Road
Chaoyang District
Beijing
PRC

As to Australian law:
Hogan Lovells
Level 17
20 Martin Place
Sydney NSW 2000
Australia

Legal Advisors to the Sole Sponsor and the Underwriters

As to Hong Kong law:
Jingtian & Gongcheng LLP
Suites 3203–3207
32/F, Edinburgh Tower
15 Queen's Road Central
Hong Kong

As to PRC law:
Jingtian & Gongcheng
34/F, Tower 3, China Central Place
77 Jianguo Road
Chaoyang District
Beijing
PRC

Auditor and Reporting Accountants	**KPMG** *Certified Public Accountants* *Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance* 8th Floor, Prince's Building 10 Chater Road Central Hong Kong
Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** Room 2504, Wheelock Square 1717 Nanjing West Road Shanghai PRC
Receiving Banks	**CMB Wing Lung Bank Limited** 45 Des Voeux Road Central Hong Kong **China CITIC Bank International Limited** 61–65 Des Voeux Road Central Hong Kong

Registered Office in Cayman Islands	4th Floor Harbour Place 103 South Church Street PO Box 10240 Grand Cayman KY1–1002 Cayman Islands
Address of Headquarters in the PRC	Building 333 Tongren Road Tongxiang, Jiaxing City Zhejiang Province PRC
Principal Place of Business in Hong Kong	40/F, Dah Sing Financial Centre 248 Queen's Road East Wanchai Hong Kong
Company's Website	**www.newgonowrv.hk** *(the information contained on the website does not form part of this Prospectus)*
Joint Company Secretaries	Mr. CHANG Ke (常可) No. 1201, 11th Floor, Block A Building 6, Courtyard South No. 32 Baiziwan Road Chaoyang District Beijing PRC Ms. JIAN Xuegen (簡雪艮) *(HKICPA, CICPA)* 40/F, Dah Sing Financial Centre 248 Queen's Road East Wanchai Hong Kong
Authorized Representatives	Mr. MIAO Xuezhong (繆雪中) Room 703, Building 8 Lane 199, Zixia Road Huangpu District Shanghai PRC Ms. JIAN Xuegen (簡雪艮) 40/F, Dah Sing Financial Centre 248 Queen's Road East Wanchai Hong Kong

Audit Committee	Ms. NG Weng Sin (*Chairperson*) Mr. YU Mingyang Ms. HE Jie
Remuneration Committee	Ms. HE Jie (*Chairperson*) Mr. YU Mingyang Ms. NG Weng Sin
Nomination Committee	Mr. MIAO Xuezhong (*Chairperson*) Ms. NG Weng Sin Mr. YU Mingyang
Compliance Advisor	**Caitong International Capital Co., Limited** Unit 2401–05, 24/F Grand Millennium Plaza 181 Queen's Road Central Hong Kong
Cayman Islands Principal Share Registrar and Transfer Agent	**Harneys Fiduciary (Cayman) Limited** 4th Floor Harbour Place 103 South Church Street PO Box 10240 Grand Cayman KY1–1002 Cayman Islands
Hong Kong Share Registrar	**Tricor Investor Services Limited** 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong
Principal Banks	**Industrial and Commercial Bank of China Tongxiang Branch** No. 3, Zhenxing West Road, Wutong Street Tongxiang Zhejiang Province PRC **China Zheshang Bank Jiaxing Tongxiang Branch** No.58, Zhenxing East Road Wutong Street Tongxiang Zhejiang Province PRC

*The information and statistics set out in this section and other sections of this Prospectus were extracted from an independent industry report prepared by Frost & Sullivan (the "**F&S Report**"), which was commissioned by us, and from various official government publications and publicly available resources. We engaged Frost & Sullivan to prepare the F&S Report in connection with the Global Offering. The information from official sources has not been independently verified by us, the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors and advisers, or any other persons or parties involved in the Global Offering (other than Frost & Sullivan), and no representation is given as to its accuracy. For discussion of risks related to our industry, please see "Risk Factors — Risks Relating to Our Business and Our Industry" in this Prospectus.*

SOURCE OF INFORMATION

This section contains information extracted from the F&S Report prepared by Frost & Sullivan independently, which is commissioned by us in connection with the Global Offering. We expect to pay Frost & Sullivan a total of RMB400,000 for the F&S Report and our use of the report. Frost & Sullivan is a consulting company which provides industry consulting services, commercial due diligence and strategic consulting services for a variety of industries. We are of the view that the payment of such fee does not impair the fairness of the conclusions drawn in the F&S Report. We have extracted certain information from the F&S Report in this section, as well as in the sections headed "Summary", "Risk Factors", "Business", "Financial Information" and elsewhere in this Prospectus to provide our potential investors with a more comprehensive presentation of the industry in which we operate.

During the preparation of the F&S Report, Frost & Sullivan performed both primary and secondary research, and obtained knowledge, statistics, information on and industry insights into the RV markets in Australasia and globally. Primary research involved interviewing key industry experts and leading industry participants. Secondary research involved analyzing data from various publicly available data sources. The F&S Report was compiled based on the following assumptions: (1) the overall social, economic, and political environment in China, Australasia, and globally is expected to remain stable during the forecast period; (2) relevant key drivers are likely to drive the continued growth of the RV markets in Australasia and globally throughout the forecast period; and (3) there is no extreme force majeure or unforeseen industry regulations in which the industry may be affected in either a dramatic or fundamental way. Our Directors have confirmed, after making reasonable inquiries and exercising reasonable care, that there is no adverse change in the market information since the date of the F&S Report which may qualify, contradict or impact the information disclosed in this section.

The global camping market has seen substantial growth recently, fueled by increased interest in outdoor activities, rising disposable incomes, and a greater focus on health and wellness. According to Frost & Sullivan, the global number of campers reached approximately 279.3 million in 2023, and is expected to grow further to 439.0 million by 2028, representing a CAGR of 8.5% from 2024 to 2028. In regions like North America, Europe, and Australasia, camping has become a staple of recreational tourism. Campers have the flexibility to set up in various locations such as national parks, professional campgrounds, or smaller sites, making it an appealing tourism option. They can choose from different types of accommodations, including RVs, tents, or cabins that can be easily relocated to different settings. Among which, RVs offer a unique advantage as an accommodation option for camping, merging the convenience of mobility with the comfort of a home, making them an ideal choice for travelers seeking both adventure and comfort. RVs are designed with fully equipped living spaces that include sleeping areas, kitchens, bathrooms. Additionally, RVs come with essential amenities such as power and water systems, air conditioning, and storage solutions, making them suitable for both short excursions and extended travels. This self-contained setup ensures that campers can enjoy a high level of autonomy and flexibility during their journeys, enhancing their overall travel experience.

RV INDUSTRY SEGMENTATION AND VALUE CHAIN ANALYSIS

RVs can be categorized into towable RVs and motorized RVs. Towable RVs, including standard caravans, pop-tops, and camper trailers, require an external motor vehicle for towing. The towable RVs range from fully-equipped, stationary living spaces to more simplistic, collapsible setups for easy transportation. While motorized RVs integrate the living quarters and driving area into a self-sufficient unit, categorized into Class A, B, and C, with each class offering a different balance of size, luxury, and functionality to cater to various consumer preferences and needs.

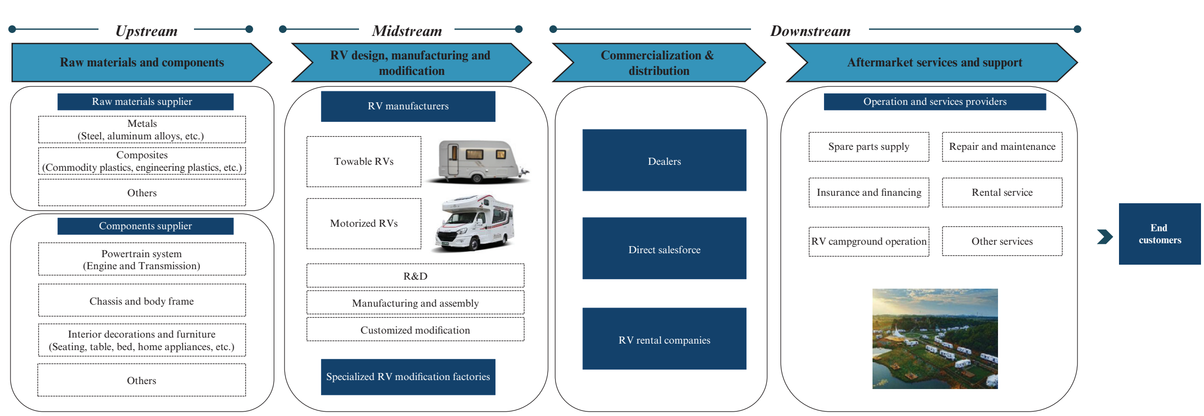
The table below sets forth the characteristic comparison between towable RVs and motorized RVs:

	Towable RVs	Motorized RVs
Body Design	The detachable living units and trailer combination offer flexible configuration options meeting diverse consumer demands while offering cost-effective options.	Integrated body designs optimize interior space utilization, enhancing living and storage convenience. This approach caters to market demands for a premium living experience, reflected in higher manufacturing and market prices.
Flexibility	Leveraging the detachable features of towable RVs, the towing vehicle can explore the surroundings while leaving the trailers at the campsite, offering significant flexibility for those seeking diverse travel experiences.	While offering immediate living convenience, the lack of flexibility in exploring surroundings may diminish their attractiveness in the adventure travel market.
Model Diversity	Offers a broad range of choices from standard caravans, pop-tops, camper trailers, etc., catering to users with varying needs and budgets.	The model variety spans from the luxurious Class A to the compact Class B and C. The price range and size variations are more limited compared to towable RVs.
TCO	The relatively lower initial investment and maintenance costs make it a cost-effective option, particularly suitable for consumers with limited budgets.	Higher TCO, including higher purchase prices, insurance costs, maintenance and repair expenses, as well as fuel consumption.

Source: Frost & Sullivan analysis

The RV industry's value chain is intricately structured across upstream, midstream, and downstream segments. The upstream segment revolves around procuring essential raw materials and components, such as metals, plastics, and electronics, which are fundamental to RV construction. The midstream segment focuses on the assembly and manufacturing of RVs, incorporating both standard production and bespoke modifications to meet specific customer preferences. The downstream segment encompasses the sales and provision of RV sales and after-sales services, where both manufacturers and dealers play pivotal roles. They offer comprehensive maintenance, repair services, and replacement parts, ensuring a seamless ownership experience for RV users.

The following diagram illustrates the value chain of RV industry:



Source: Frost & Sullivan analysis

GLOBAL AND AUSTRALASIA RV MARKET OVERVIEW

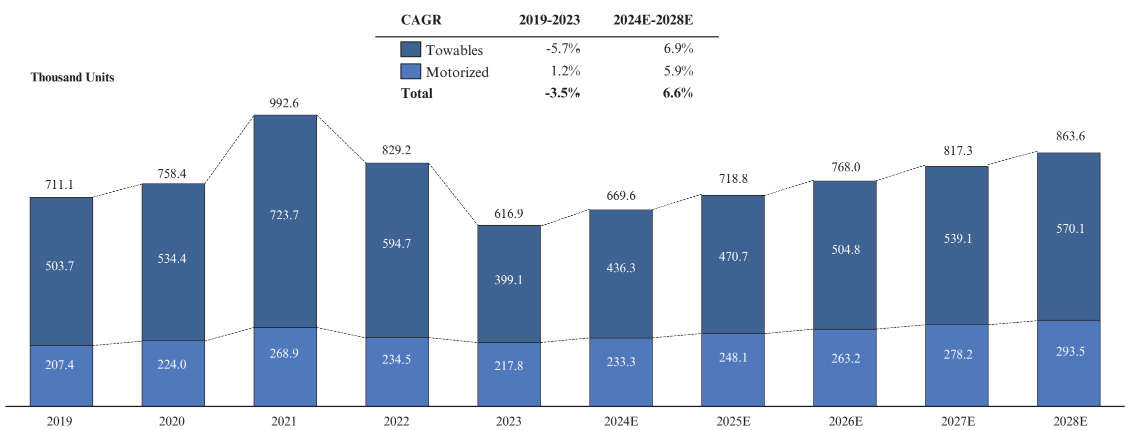
From 2019 to 2023, global RV sales volumes experienced fluctuations, peaking in 2021 with sales volume reaching 992.6 thousand units during the COVID-19 pandemic as more individuals opted for RVs for tourism and mobility due to social distancing measures. This surge led to a market overextension, resulting in a notable decline in sales volumes in 2022 and 2023 for two consecutive years, reaching 616.9 thousand units in 2023, representing a CAGR of a negative 3.5% from 2019 to 2023.

From 2021 to 2023, the stability in the sales of motorized RVs compared to the significant drop in towable RVs can be largely attributed to regional market dynamics, particularly in North America. In 2021, North America, the largest towable RV market globally, was significantly impacted by COVID-19. With international travel restrictions in place, domestic travel and outdoor activities surged, leading to a sharp increase in demand for towable RVs, which accounted for 79% of the incremental RV sales volume globally. However, as the pandemic eased in 2022, the heightened demand diminished, resulting in a notable decline in global towable RV sales. In contrast, motorized RVs, which typically have higher price points and are seen as more versatile and self-contained units, maintained relatively stable sales.

Looking ahead to 2024 through 2028, with the continued recovery of global tourism and the booming camping economy in the post-pandemic era, RV travel is expected to drive an increase in consumer demand for RVs. Total sales volume is expected to reach 863.6 thousand units, surpassing pre-pandemic level in 2028, representing a CAGR of 6.6% from 2024 to 2028. Among which, towable RVs are anticipated to recover faster than motorized RVs, which can be attributed to several advantages that appeal to a broad consumer base. Towable RVs generally offer greater affordability and lower TCO compared to their motorized counterparts, making them a more accessible option for individuals and families looking to purchase their first RV or those with budget constraints. Additionally, towable RVs offer enhanced flexibility in usage, they can be detached from the towing vehicle, allowing for easier local exploration and the use of the vehicle separately from the living quarters. This dual functionality enhances practicality and convenience, aligning with consumer preferences for versatile and economical travel solutions in the post-pandemic era.

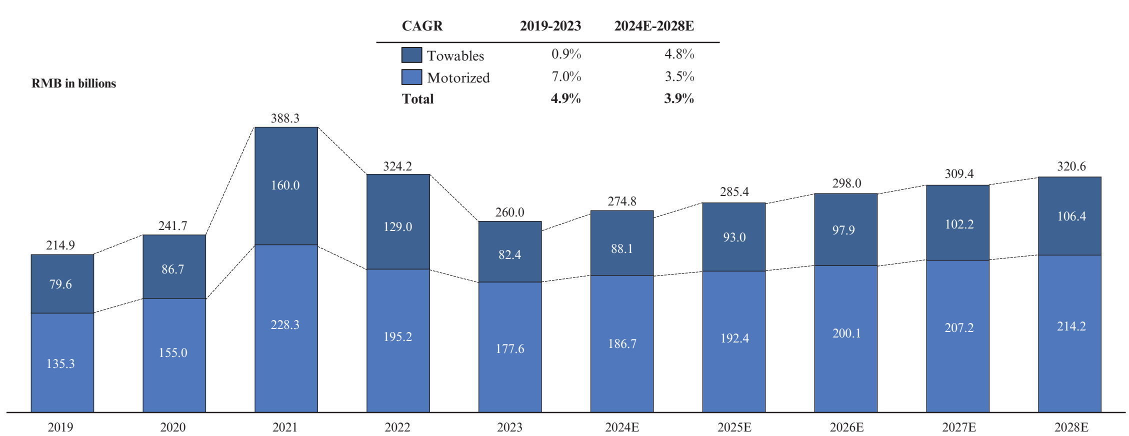
Measured by revenue, the global RV market was RMB260.0 billion in 2023, representing a CAGR of 4.9% since 2019. It is expected that the total market size will reach RMB320.6 billion in 2028, representing a CAGR of 3.9% from 2024 to 2028. When measured by revenue, motorized RVs are the dominant segment. This is due to the fact that the sales price of motorized RVs is typically 3–4 times higher than that of towable RVs. Consequently, despite the higher sales volume of towable RVs, motorized RVs contribute a larger share to the global market revenue.

Global RV Market Size, by Sales Volume, 2019–2028E



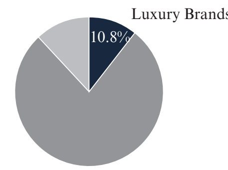
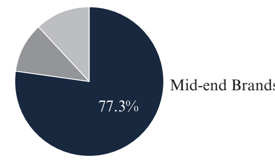
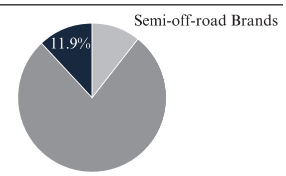
Source: *Caravan Industry Association of Australasia ("**CIAA**"), European Caravan Federation ("**ECF**"), RV Industry Association ("**RVIA**"), Frost & Sullivan Analysis*

Global RV Market Size, by Revenue, 2019–2028E



Source: *CIAA, ECF, RVIA, Frost & Sullivan Analysis*

RVs are categorized into luxury, mid-end, and semi-off-road brands. Luxury RVs offer premium interiors and comprehensive amenities, akin to high-end residences. Mid-end RVs, accounting for 77.3% of the market in 2023, provide practical and cost-effective travel options for families and long-term travelers. Semi-off-road RVs are designed for exploring remote areas with sturdy designs and essential living facilities for extended outdoor adventures.

Type	Definition	2023 Market share by units in Australasia (%)
Luxury Brands	• Luxury RV brands are renowned for their premium interiors and comfortable living experiences. They are typically equipped with modern technology and comprehensive amenities, offering a lifestyle akin to high-end residences or five-star hotels. • The price of the luxury brands' RV usually over 70 thousand AUD by list price.	
Mid-end Brands	• Mid-end RV brands offer practical and comfortable travel experiences, focusing on cost-effectiveness, making them suitable for families and long-term travelers. They use durable materials and designs, providing essential entertainment and living facilities, ensuring a comfortable and reliable choice. • The price of the mid-end brands' RV usually between 25 thousand AUD to 70 thousand AUD by list price.	
Semi-off-road Brands	• Semi-off-road RV brands are designed for travelers looking to explore remote areas and rough terrains, offering some off-road capabilities. They feature sturdy chassis and body designs, equipped with necessary living facilities, making them ideal for extended outdoor living.	

Source: Literature research, Frost & Sullivan Analysis

The growth of the global RV market is influenced by several key factors:

- *Increased Income Levels*. As global economies grow, people's disposable incomes rise, enhancing their ability to invest in leisure and travel activities. RVs, offering a unique blend of convenience and comfort and spurring interest in high-quality lifestyle pursuits including exploration, nature experiences, and family time, have become a major choice for leisure.

- *Growing Interest in Tourism and Outdoor Activities*. The rising trend towards outdoor activities and adventure tourism has notably propelled the growth of the global RV market. RVs enable travelers to flexibly explore remote regions and natural landscapes, appealing to enthusiasts of self-driving tours, camping, and outdoor adventures. The widespread sharing of travel experiences on social media further amplifies the desire for free, flexible, and personalized travel options, promoting the popularity of RV travel.

- *Technological Innovations and Enhanced Product Features*. Technological advancements significantly enhance the global RV market, incorporating eco-friendly power systems, lightweight materials, and intelligent living solutions to improve RV performance and sustainability. Innovations such as electric and hybrid RVs, including electric towable RVs not only reduce reliance on fossil fuels but also integrate smart home systems for added convenience and security. Electric towable RVs feature large batteries, enabling self-propelled towing synchronized with the towing vehicle via sensors, substantially reducing the energy consumption of the towing vehicle and appealing to a broader audience with their diverse designs.

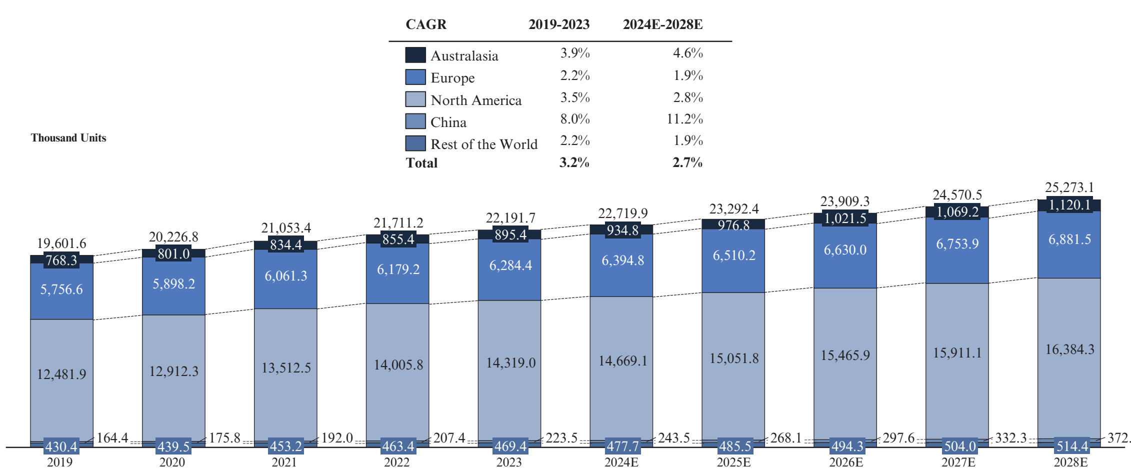
Australasia is the Third-largest and One of the Fastest-growing RV Markets Globally

North America, Europe, and Australasia are the top three RV markets globally, RV in use in the three markets collectively account for approximately 97% of the global total volume in 2023. Australasia, the third largest behind North America and Europe, had 895.4 thousand RVs in use in 2023, representing a CAGR of 3.9% from 2019 to 2023.

Driven by a booming tourism industry and a high number of international visitors, road trips through RVs have become a mature travel method in Australasia. Measured by RV household penetration, Australasia had a remarkable ownership rate of 78.8 RVs per thousand households in 2023, significantly surpassing Europe's rate of 21.7 and ranking second globally, just behind North America's leading figure of 107.7 RVs per thousand households.

The economic vitality injected by tourists traveling in RVs has led to development of RV-related infrastructure by Australasian governments, including free overnight RV camping sites, parking facilities in central business districts, and well-developed campsite infrastructure. It is expected that the total RV in use in Australasia will reach 1,120.1 thousand units in 2028, representing a CAGR of 4.6% from 2024, outpacing the growth in North America and Europe.

Global RV Market Size, by Total Number of RV in Use and by Regions, 2019–2028E



Source: CIAA, ECF, RVIA, Frost & Sullivan Analysis

Towable RVs Dominate the Australasian RV Market

Regional preferences for RV types vary significantly across the global market. In Australasia, towable RVs are especially popular due to their suitability for the region's diverse and vast landscapes. This preference is driven by the availability of wide-open spaces and well-developed camping infrastructure, ideal for long-distance travel and outdoor activities. Towable RVs appeal to adventurers eager to explore remote natural areas, supporting a dynamic market rich in caravan models and customization options to meet varied travel needs and preferences.

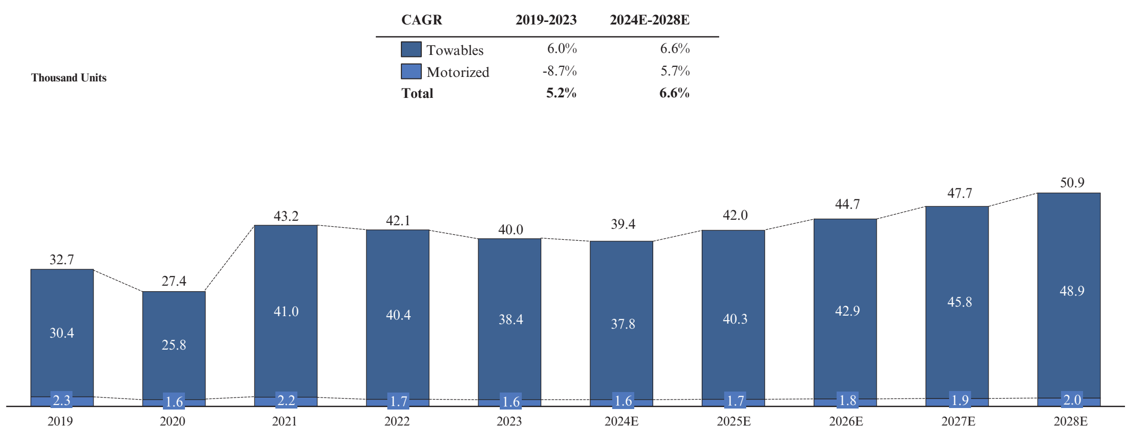
In Australasia, over 90% of newly sold RVs each year are towable RVs, with this proportion increasing from 93% in 2019 to 96% in 2023. This trend is expected to continue, with projections showing towable RVs reaching 48.9 thousand units by 2028, accounting for 96.1% of total new RV sales volume, a growth reflected by a CAGR of 6.6% from 2024 to 2028. The rising preference for towable RVs is largely due to their affordability, including lower acquisition costs and TCO, coupled with greater flexibility, making them an increasingly popular choice among consumers seeking economical and versatile travel solutions.

While the global RV market experienced a significant decline in sales volume from 2021 to 2023 due to economic uncertainties, supply chain disruptions, and rising material costs, the Australasia market remained relatively stable. This stability can be attributed to several factors: government support and incentives promoting domestic travel, a cultural preference for outdoor and adventure activities, and a more resilient supply chain that ensured the availability of RVs. Many companies in the RV industry adopted strategies such as increasing inventory levels and establishing dual sourcing to ensure a steady supply of essential materials. By holding higher inventories and diversifying their supplier base, they were able to mitigate the risks associated with supply chain interruptions. These elements collectively helped maintain the demand for RVs in Australasia despite global market challenges. The Australasia RV market is expected to experience fluctuations in 2024, followed by a moderate recovery from 2024 to 2028, gradually returning to a more stable growth trajectory.

Measured by revenue, the Australasia RV market reached RMB9.2 billion in 2023, representing a CAGR of 9.9% since 2019. The market is expected to continue its growth, with total revenue projected to reach RMB10.6 billion by 2028, reflecting a CAGR of 4.5% from 2024 to 2028.

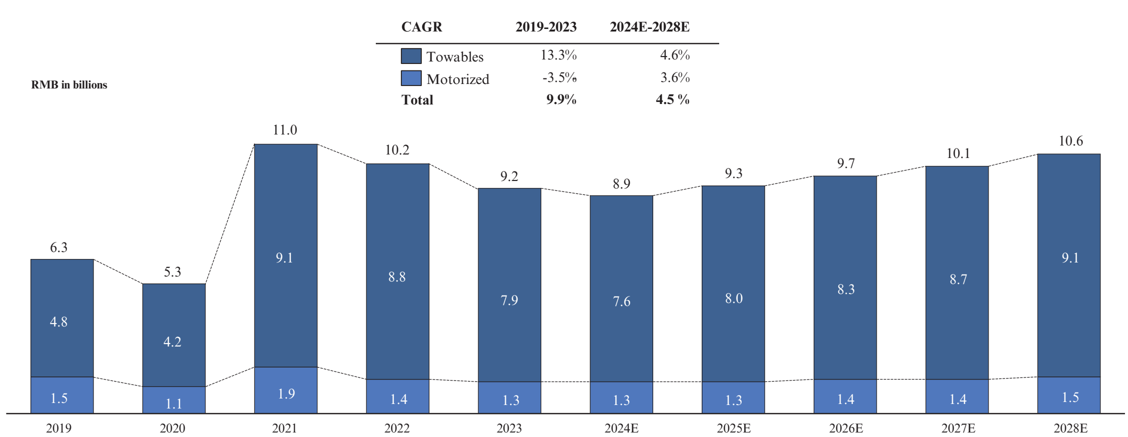
From 2020 to 2021, Australasia's RV sales volume and revenue experienced significant year-over-year growth, primarily driven by the COVID-19 pandemic, as more individuals opted for RVs for tourism and mobility due to social distancing measures. However, this surge led to market overextension, resulting in a decline in both sales volume and revenue for two consecutive years, 2022 and 2023, as the impact of the pandemic eased in Australasia.

Australasia RV Market Size, by Sales Volume, 2019–2028E



Source: CIAA, Frost & Sullivan Analysis

Australasia RV Market Size, by Revenue, 2019–2028E



Source: CIAA, Frost & Sullivan Analysis

Standard Caravan is a Premium Towable RVs and Drives the Majority of Towable RVs Sales in Australasia

Based on different structures and features, towable RVs can be mainly segmented into standard caravans, pop-tops, and camper trailers. (i) Standard caravans offer a solid structure with complete living facilities including a fixed roof. They typically provide amenities like beds, a kitchen, and a bathroom, and are suitable for longer stays and varied weather conditions, reflecting a higher level of comfort and convenience that usually comes at a higher price point. (ii) Pop-tops are similar to standard caravans but feature a roof that can be raised when parked to provide additional headroom and compactness while traveling. This makes them easier to tow and more fuel-efficient due to the reduced height during transit. (iii) Camper trailers are more basic than caravans and usually lighter. They often come with a fold-out tent section, which is stored in a compact trailer when not in use.

The table below sets forth the feature and average retail price comparison of different types of towable RVs:

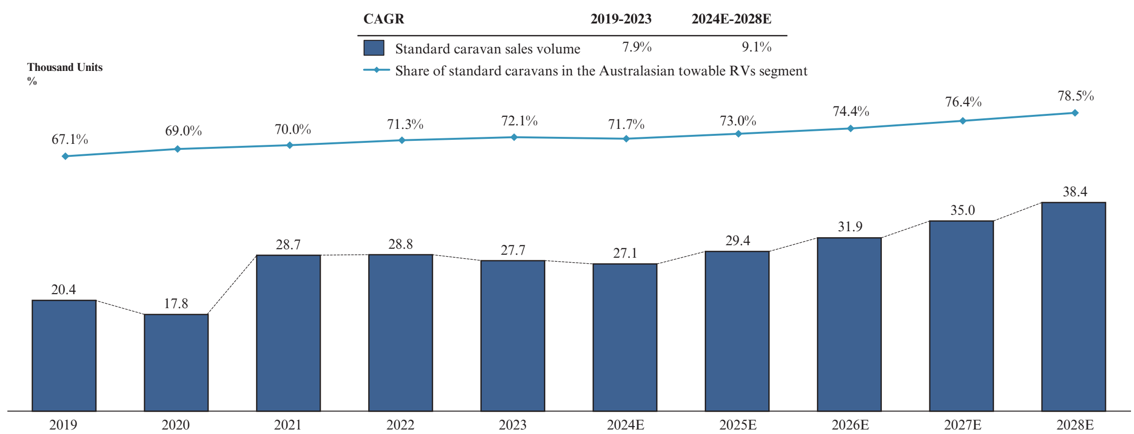
	Standard Caravans	Pop-tops	Camper Trailers
Body Design	Solid structure with a fixed roof, complete living facilities including beds, kitchen, bathroom, etc.	Simpler construction comparing to standard caravans with a roof that can be raised when parked to provide additional headroom, generally less costly to produce than the fully integrated, rigid structures of standard caravans	Come with a fold-out tent section, which is stored in a compact trailer when not in use, more basic and minimalistic living facilities
Average Selling Price (AUD)	Around 78.0 thousand	Around 57.0 thousand	Around 42.0 thousand
Market Positioning	Premium	Medium	Entry
Illustrative Models			

Source: Literature research, Frost & Sullivan Analysis

In 2023, the standard caravan was the major segment in the Australasian market, capturing a substantial 72.1% share, up from 67.1% in 2019. This growth can be attributed to several factors including an increasing preference among consumers for more spacious and comfortable RV options, the rise in domestic travel that favors the amenities offered by standard caravans, and technological advancements that have enhanced the appeal of these models. Looking forward, the standard caravan segment is poised for significant growth, projected to reach 38.4 thousand units by 2028, accounting for 78.5% of total new towable RVs sales volume, with a CAGR of 9.1% from 2024 to 2028. This growth rate outpaces the overall expansion of both the towable RVs and the broader RV market in Australasia, highlighting the segment's increasing dominance and appeal.

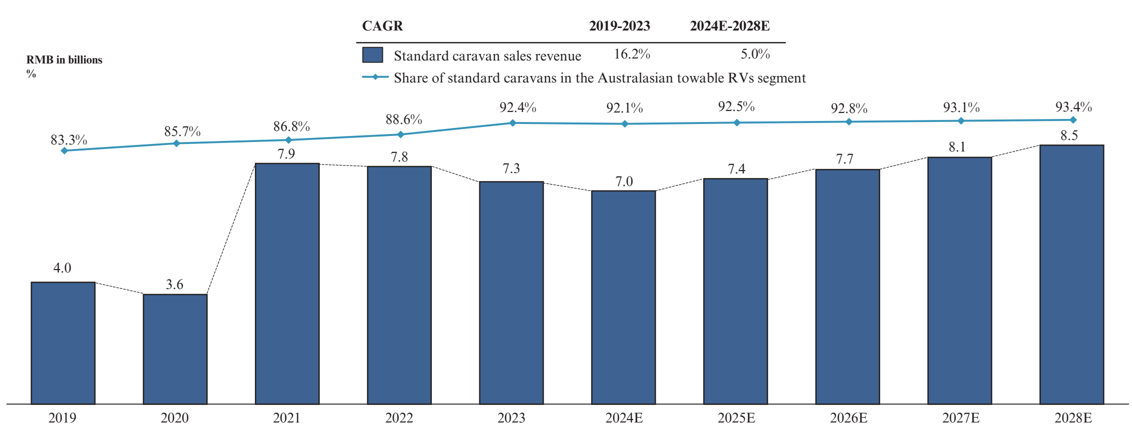
Measured by revenue, the Australasia standard caravan market reached RMB7.3 billion in 2023, representing a CAGR of 16.2% since 2019. This market captured a 92.4% share, higher than the 72.1% share when measured by sales volume, indicating the higher average price of standard caravans compared to other towable RVs. The standard caravan market is expected to continue its growth, with total revenue projected to reach RMB8.5 billion by 2028, reflecting a CAGR of 5.0% from 2024 to 2028.

Market Size and Share of Standard Caravans in the Australasian Towable RVs Segment, By Sales Volume, 2019–2028E



Source: CIAA, Frost & Sullivan Analysis

Market Size and Share of Standard Caravans in the Australasian Towable RVs Segment, By Revenue, 2019–2028E

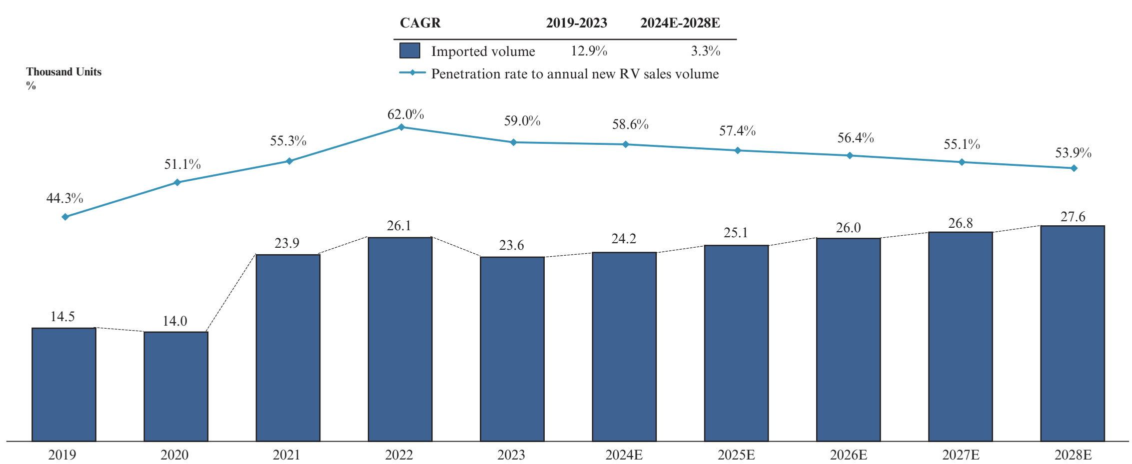


Source: CIAA, Frost & Sullivan Analysis

Overseas Imports Have Become a Significant Source of RVs in Australasia

Overseas imports have become a significant source of RVs in Australasia, with annual imports exceeding 14.0 thousand units since 2019 and reaching about 23.6 thousand units in 2023, nearly 60% of the year's new RV sales. China is Australasia's leading source of RV imports, a status underpinned by its manufacturing efficiency, cost-effectiveness, and product variety. RV manufacturers in China possess large-scale manufacturing capabilities and technological prowess which enables the production of high-quality yet affordable RVs and accessories, aligning with Australasia's diverse product needs. The robust trade relationship and logistical synergy between China and Australasia bolster the appeal of Chinese RVs in the Australasian market. In 2023, the imported volume of RVs from China reached 18.6 thousand units, constituting 78.6% of the total import volume and 46.5% of new RV sales in Australasia, underscoring China's significant impact. This dynamic, coupled with Australasia's growing affinity for RV travel, has swiftly cemented China's role as a principal import source.

Australasia RV Imported Volume and Penetration Rate to New RV Sales, 2019–2028E



Source: *World Bank, International Trade Center, Frost & Sullivan Analysis*

The driving factors and development trends of the Australasian RV market include:

- *Distinctive tourism culture and outdoor lifestyle preferences in Australasia*. The evolution of travel culture and lifestyle significantly contributes to the growth of the RV market in Australasia. In 2023, the total contribution of travel and tourism to GDP in Australasia was 8.4%, exceeding the global average of approximately 6%. This region's distinctive tourism culture and outdoor lifestyle preferences offer extensive opportunities for RV travel, drawing enthusiasts to explore its diverse landscapes — from beaches to forests and deserts. The allure of escaping fast-paced modern life through RV travel, which allows immersive experiences in nature and quality family time, is increasingly recognized as essential.

Furthermore, Australasia's median household income increased from US$52.9 thousand in 2019 to US$58.2 thousand in 2023 and is expected to grow further to US$66.7 thousand by 2028, representing a CAGR of 2.8% from 2024 to 2028. This steady rise in disposable income is likely to boost demand for RV travel as households gain more spending power for leisure activities. Additionally, trip expenditure by domestic overnight visitors in Australasia saw significant growth, rising from US$108.5 billion in 2019 to US$151.6 billion in 2023. This figure is projected to reach US$184 billion by 2028, with a CAGR of 4.0%. This increasing expenditure highlights a growing domestic tourism market, reinforcing the appeal and potential for the RV industry as more travelers seek flexible, nature-centric travel experiences.

- *Policy support and development of infrastructure for RV travel.* Policy support and relatively developed infrastructure have positioned Australasia's RV market for success. Favorable government policies have spurred the development of high-quality campsites and RV parks nationwide. These facilities offer essential services like electricity, water, and sanitation, and often include additional amenities such as Wi-Fi, laundry facilities, and recreational areas, significantly enhancing the convenience and comfort of RV travel. Furthermore, policy initiatives and tourism promotion efforts encourage both domestic and international visitors to explore Australasia via RVs, further stimulating market growth.

- *Growing demand for sustainable travel options.* Electrification and energy conservation are becoming increasingly prominent in Australasia's RV market. This trend is evident in the growing interest in ERVs and the broader implementation of energy-saving technologies, such as solar panels and LED lighting, in towable RVs designs. With heightened consumer awareness of environmental protection and government support for eco-friendly policies, Australasia's RVs are expected to focus more on energy efficiency and reducing carbon emissions, meeting the market demand for sustainable travel options.

- *Increasing need for personalization and customization.* Increasingly personalized and diversified demands are driving a move towards more specialized services. The RV market is undergoing a transformation characterized by increasingly personalized demand and diversified services, alongside a surge in the need for niche markets such as eco-friendly RVs, luxury and technology-enhanced models, and compact designs suitable for urban environments. Customization of appliances and both interior and exterior designs are becoming more prevalent, reflecting the demand for unique and tailored RV experiences. The need for corresponding RV-related solutions and professional services, such as RV rental, travel planning, and maintenance services, is expected to surge. This dynamic shift not only satisfies a range of consumer needs but also opens new avenues for growth and differentiation for RV businesses.

- *Technology-driven transformation in the Australasia RV industry*. Technological innovation is key to enhancing user experience and product strength. In line with the trend globally, the Australasia RV industry is undergoing a technology-driven transformation aimed at boosting user experience and production efficiency through the integration of advanced technologies and innovative solutions. Smart RVs, equipped with autonomous driving technology, efficient energy management systems, and internet-connected home devices, are becoming increasingly popular in the market. These advancements not only improve the safety, convenience, and comfort of living in RVs but also cater to modern consumers' desire for a smart, connected lifestyle. Innovations like the use of lightweight materials to reduce vehicle weight and increase fuel efficiency, along with the development of more flexible space configurations, further enhance the market appeal of RVs.

COMPETITIVE LANDSCAPE OF AUSTRALASIA RV MARKET

The Australasia RV market exhibits a relatively concentrated structure. According to the 2023 sales volume data, the top five participants collectively hold approximately 55.4% of the market share. In the same year, our Group ranked as the second-largest RV company in Australasia, selling 2.7 thousand units and capturing about 6.8% of the market share.

Competitive Landscape of the Entire Australasia RV Market in 2023, Including Both Motorized and Towable RVs

Ranking	Company	Sales Volume of RVs in 2023 (thousand units)	Market Share (%)	Revenue of RVs in 2023 (RMB in millions)	Market Share (%)	Major Product Offerings
1	A	12.6	31.5%	2,683.8	29.2%	Standard Caravans, Camper Trailers, Pop-tops
2	**Our Group**	**2.7**	**6.8%**	**720.3**	**7.8%**	**Standard Caravans**
3	B	2.4	6.0%	492	5.3%	Standard Caravans, Camper Trailers, Pop-tops
4	C	2.3	5.8%	471.5	5.1%	Standard Caravans, Camper Trailers, Pop-tops
5	D	2.1	5.3%	424.2	4.6%	Standard Caravans, Camper Trailers, Pop-tops

Sources: *CIAA, Frost & Sullivan Analysis*

Note: The market participant data is derived from publicly available information and expert interviews. Due to confidentiality regulations of the participants, there might be discrepancies between this data and the participants' internal financial records. The major RV companies in Australasia mainly consists of the Company, Austrack, Essential, MDC and Jayco.

Company A: Founded in 1975, this company is a privately held RV manufacturer headquartered in Dandenong South, Victoria, Australia. It offers a variety of products including towable RVs and motorized RVs.

Company B: Founded in 2005, this company is a privately held firm headquartered in Buena Park, California, USA. It offers travel trailers and other products.

Company C: Established in 2009, this company is a privately held firm headquartered in Caboolture, Queensland, Australia. It provides travel trailers and other products.

Company D: Established in 2004, this company is a privately held firm headquartered in Campbellfield, Victoria, Australia. It provides various products such as travel trailers, camping equipment, and apparel.

As the premium segment of the towable RVs market, standard caravans exemplify how leading players leverage distinct competitive advantages to dominate. Companies excelling in this sector often possess robust manufacturing capabilities, allowing them to innovate and produce high-quality, durable caravans equipped with advanced features and technologies. Moreover, these leading players capitalize on the ability to command higher prices for their premium products. This price premium not only reflects the superior quality and enhanced features of the caravans but also boosts profitability, providing these companies with significant financial resources to reinvest in further innovation and market expansion.

We are a notable standard caravan player in Australasia, according to Frost & Sullivan.

Competitive Landscape of Australasia Standard Caravan Market in 2023

Ranking	Company	Sales Volume of Standard Caravans in 2023 (thousand units)	Market Share (%)	Revenue of Standard Caravans in 2023 (RMB in millions)	Market Share (%)	Major Product Offerings
1	A	6.7	24.2%	1,701.8	23.3%	Standard Caravans, Camper Trailers, Pop-tops
2	**Our Group**	**2.7**	**9.7%**	**720.3**	**9.9%**	**Standard Caravans**
3	D	1.6	5.8%	379.2	5.2%	Standard Caravans, Camper Trailers, Pop-tops
4	B	1.2	4.3%	284.4	3.9%	Standard Caravans, Camper Trailers, Pop-tops
5	C	1.0	3.6%	237	3.2%	Standard Caravans, Camper Trailers, Pop-tops

Sources: CIAA, Frost & Sullivan Analysis

The RV industry in Australasia is characterized by high barriers to entry, primarily due to the need for continuous and large-scale capital investments to support research and development, production, and brand marketing; compliance with diverse regional regulations and product safety standards; efficient supply chain management capabilities; and after-sales service and customer relationship maintenance.

- *Continuous and large-scale capital investment*. Entry into the RV market requires significant initial investment, covering costs related to production facilities, research and development, and marketing.

- *Brand and market recognition*. Establishing a strong brand and gaining market recognition are critical for successfully entering the RV market. Newcomers need to build trust and brand loyalty through high-quality products and effective marketing strategies.

- *Compliance with diverse global market regulations and safety standards*. Adhering to regulations and safety standards is crucial in the RV market, especially given the varied legal environments across global markets. Businesses must understand and adapt to complex regulatory systems at international, national, and local levels, covering vehicle safety, environmental emissions, and road usage.

- *Supply chain management*. Effective supply chain management is vital for success in the RV market. A network that ensures the stable supply of raw materials and components, cost control, and rapid market response provides a competitive advantage.

- *After-sales service and customer*. Providing high-quality after-sales service and maintaining good customer relationships are key to staying competitive. As high-value products, RVs demand not only quality but also comprehensive after-sales support and services.

The RV industry in Australasia has strong market opportunities due to a prevalent camping culture, advanced infrastructure, eco-friendly innovations, and diverse natural landscapes. Active RV clubs, comprehensive parks, and continuous route development make it an ideal RV destination, offering unique experiences and a competitive edge.

- *Prevalence of camping culture*. Australasia have a strong camping culture, providing a solid foundation for the RV industry. Families, young people, and retirees enjoy RV holidays, embracing outdoor life. Numerous active RV clubs and communities regularly organize trips and activities, enhancing the appeal and social opportunities of RV tourism. This widespread cultural acceptance and community support give RV tourism a unique market advantage in Australasia.

- *Advanced infrastructure*. Australasia offer a comprehensive network of RV parks and campsites, equipped with facilities such as electricity, water supply, and sanitation, greatly facilitating RV travel. Government and tourism departments continually develop and promote new RV routes and destinations, attracting more tourists. These advanced infrastructures and resources position Australasia as ideal RV destinations, driving market growth.

- *Technological innovation and environmental Awareness*. With increasing environmental awareness, manufacturers have introduced more eco-friendly RVs, such as electric and solar- powered models, catering to sustainable travel demands. Modern RVs are also equipped with advanced technologies like smart home systems, navigation, and safety devices, enhancing the travel experience and attracting high-end customers. Technological innovation and environmental focus make RV tourism convenient and sustainable, providing a competitive edge.

- *Diverse travel experiences*. Australasia offer rich natural landscapes, such as remote national parks, wildlife reserves, and indigenous cultural areas. RV travel allows tourists to access these unique destinations, often unreachable by traditional means. Depending on interests, tourists can enjoy diverse experiences through RV travel, including culinary, wine, and adventure tours. This diversity, combined with rich natural and cultural resources, gives the Australasian market a significant advantage in the RV tourism market.

The RV industry in Australasia faces threats from environmental impacts, stricter regulations, supply chain dependencies, and economic uncertainties. High fuel consumption, waste disposal, market fluctuations, and currency volatility can increase costs and reduce demand.

- *Environmental impact*. RVs typically exhibit higher fuel consumption, leading to increased carbon emissions. This is particularly scrutinized in environmentally conscious Australasia, potentially triggering criticism from environmental organizations and stricter regulatory measures. Improper disposal of wastewater and garbage can also pollute local environments. Given the pristine natural landscapes of Australasia, stringent waste management regulations may be enforced, thereby increasing operational costs for RV users and service providers.

- *Dependency on supply chains*. Australia's RV industry heavily relies on overseas supply chains, primarily due to its weak industrial base and lack of a robust automotive sector. This reliance exposes the Australian RV manufacturing sector to fluctuations in international markets, logistics disruptions, and supply chain issues, consequently increasing operational risks and costs. During times of global supply chain instability, this dependence can significantly impact the RV industry.

- *Economic uncertainty*. Economic downturns can reduce consumer expenditure on travel and leisure activities, affecting the demand for RV rentals and sales. The Australasian markets, reliant on tourism, are susceptible to fluctuations in the global economy. Currency fluctuations can also impact the import costs of RVs and their components, influencing overall pricing and market demand. These economic uncertainties compound the operational challenges faced by the RV industry.

COST ANALYSIS

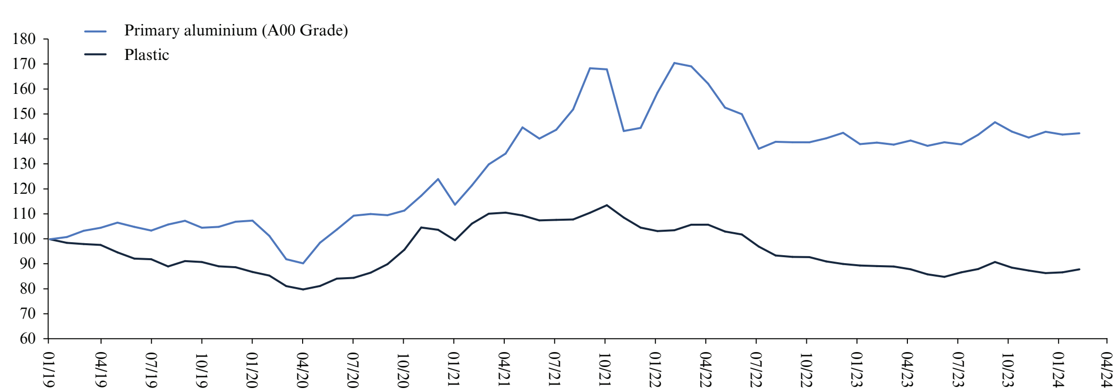
The main raw materials for RVs include aluminum and plastic. The prices of primary aluminum and plastic experienced significant growth during 2020 and 2021 due to the impact of COVID-19 on the global manufacturing supply chain, rising energy prices, and increased shipping costs. Since 2022, as the effects of COVID-19 have gradually diminished and shipping prices have started to normalize, the global supply chain has been showing signs of recovery, leading to a slow decrease in the prices of these commodities. However, the overall price levels of primary aluminum remain higher than those in 2019.

As important industrial materials, aluminum and plastic are typically stockpiled in advance by downstream RV parts suppliers or RV manufacturers to mitigate the impact of potential raw material price fluctuations on costs or the final product prices. Consequently, the price fluctuations of aluminum and plastic in recent years have had a very limited impact on the prices of our RV products.

There was a significant disparity in labor costs between China and Australasia from 2019 to 2023. In 2023, the average wage in Australasia was US$60.2 thousand, approximately 3.4 times higher than China's average of US$17.5 thousand. Both regions have seen gradual wage increases during this period, but Australasia's labor costs remain consistently higher.

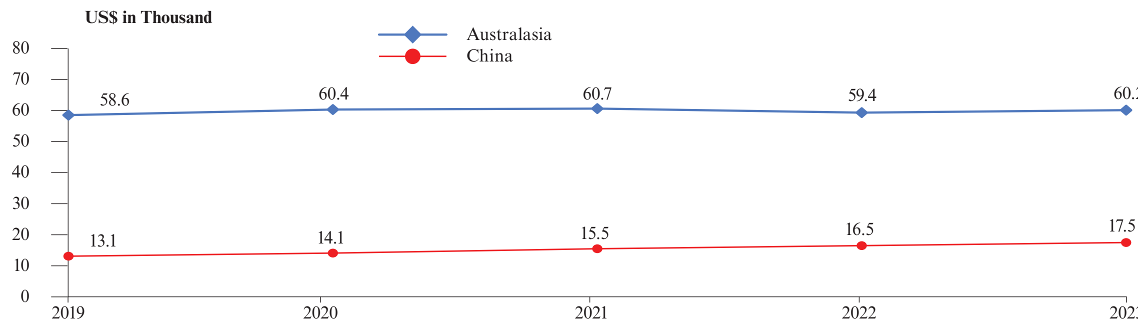
The charts below set forth the price trend of major raw materials and the trend of labor cost during the past several years:

Price Index of Major Raw Materials, Jan. 2019 — Mar. 2024 (2019.1.1 = 100)



Source: LME, National Bureau of Statistics of China, Australian Bureau of Statistics, Stats NZ, Frost & Sullivan analysis

Average Annual Wage of Urban Employees in China and Australasia, 2019 to 2023



Source: Australian Bureau of Statistics, Stats NZ, Frost & Sullivan analysis

LAWS AND REGULATIONS IN THE PRC

We are subject to a variety of PRC laws, rules and regulations affecting many aspects of our business. This section summarizes the principal PRC laws, rules and regulations that we believe are relevant to our business and operations.

Laws and Regulations Relating to Safe Production

According to *the Production Safety Law of the PRC* (《中華人民共和國安全生產法》) promulgated on June 29, 2002 and last amended on June 10, 2021, enterprises shall meet with the conditions for work safety as required by relevant laws and regulations. Enterprises having more than 100 employees shall establish a department to carry out work safety management or have personnel solely responsible for work safety management. Enterprises shall provide their employees with education and training on work safety to ensure that the employees have the necessary knowledge regarding work safety, are familiar with the relevant work safety rules and operating procedures, and acquire safe operation skills required for their respective positions. The employees performing special functions as defined by the work safety supervision department of the State Council must receive special training on work safety and hold the qualification certificate for performing such special functions.

Laws and Regulations Relating to Product Quality and Recall of Defective Automobile Products

Pursuant to *the Product Quality Law of the PRC* (《中華人民共和國產品質量法》), promulgated on February 22, 1993 and last amended on December 29, 2018, a manufacturer is prohibited from producing or selling products that do not meet applicable standards and requirements for safeguarding human health and ensuring human and property safety. Products must be free from unreasonable dangers threatening human and property safety. Where a defective product causes physical injury to a person or property damage, the aggrieved party may make a claim for compensation from the producer or the seller of the product. Producers and sellers of non-compliant products may be ordered to cease the production or sale of the products and could be subject to confiscation of the products and/or fines. Earnings from sales in contravention of such standards or requirements may also be confiscated, and in severe cases, an offender's business license may be revoked.

Laws and Regulations Relating to Import and Export Trade

According to the *Customs Law of the People's Republic of China* (《中華人民共和國海關法》) (the "**Customs Law**") which was promulgated by the Standing Committee of the National People's Congress (the SCNPC) on January 22, 1987, implemented on July 1, 1987 and last amended on April 29, 2021, where a consignee or consignor of import or export goods or a Customs clearing enterprise go through Customs declaration procedures, they shall file for record with the Customs in accordance with law. Import and export of goods, unless otherwise specified, the consignee or consignor can self-handling or be entrusted by the customs clearance enterprises allowed to register for customs clearance and taxation procedures. According to *the Announcement of General Administration of Customs on*

Matters Related to the Merger of Enterprise Customs Declaration and Inspection Qualification (《海關總署關於企業報關報檢資質合併有關事項的公告》) which was promulgated by General Administration of Customs on April 16, 2018, implemented on April 20, 2018, the filing of inspection and quarantine self-management inspection enterprises and the filing of consignees and consignors of import and export goods of customs are merged into the record of consignors and consignors of import and export goods of customs. After filing, the enterprise obtains customs declaration and inspection qualifications at the same time.

The Foreign Trade Law of the People's Republic of China (《中華人民共和國對外貿易法》) (the "**Foreign Trade Law**") was promulgated by SCNPC on May 12, 1994. The Foreign Trade Law shall apply to foreign trade and to the protection of intellectual property rights associated with foreign trade. The term "foreign trade" shall refer to the import and export of goods and technologies and international trade in services. The Foreign Trade Law stipulates that foreign trade operators engaging in import or export of goods or technologies shall file records with the foreign trade department of the State Council or its authorized agency, but the latest amendments on December 30, 2022 has removed the requirements of filling records for foreign trade operators.

Laws and Regulations Relating to Information Security and Privacy Protection

Internet Information Security

On June 10, 2021, the SCNPC promulgated *the Data Security Law of PRC* (《中華人民共和國數據安全法》) (the "**Data Security Law**"), which became effective on September 1, 2021. The Data Security Law mainly sets forth specific provisions regarding establishing basic systems for data security management, including hierarchical data classification management system, risk assessment system, monitoring and early warning system, and emergency disposal system. In addition, it clarifies the data security protection obligations of organizations and individuals carrying out data activities and implementing data security protection responsibility.

On November 7, 2016, the SCNPC promulgated *the Cybersecurity Law of the PRC* (《中華人民共和國網絡安全法》) (the "**Cybersecurity Law**"), effective as of June 1, 2017, which applies to the construction, operation, maintenance and use of networks as well as the supervision and administration of cybersecurity in the PRC. According to the Cybersecurity Law, network operators are broadly defined as owners and administrators of networks and network service provider and subject to various security protection-related obligations, including but not limited to (1) complying with security protection obligations under graded system for cybersecurity protection requirements, which include formulating internal security management rules and operating instructions, appointing cybersecurity responsible personnel and their duties, adopting technical measures to prevent computer viruses, cyber-attack, cyber-intrusion and other activities endangering cybersecurity, adopting technical measures to monitor and record network operation status and cybersecurity incidents; (2) formulating a emergency plan and promptly responding to and handling security risks, initiating the emergency plans, taking appropriate remedial measures and reporting to regulatory authorities in the event comprising cybersecurity threats; and (3) providing technical assistance and support to public security and national security authorities for protection of national security and criminal investigations in accordance with the law.

On December 28, 2021, the Cyberspace Administration of China (the CAC) and other twelve PRC regulatory authorities jointly revised and promulgated *the Measures for Cybersecurity Review* (《網絡安全審查辦法》) (the "**Cybersecurity Review Measures**"), which became effective on February 15, 2022. The Cybersecurity Review Measures provide that, among others, (1) critical information infrastructure operators that the purchase of cyber products and services or network platform operators that engage in data processing activities that affects or may affect national security shall be subject to the cybersecurity review by the Cybersecurity Review Office, the department which is responsible for the implementation of cybersecurity review under the CAC; and (2) network platform operators with personal information data of more than one million users that seek for listing in a foreign country are obliged to apply for a cybersecurity review by the Cybersecurity Review Office.

On July 7, 2022, the CAC has promulgated the *Measures for the Security Assessment of Cross-border Data Transfer* (《數據出境安全評估辦法》), which takes effect on September 1, 2022, and requires that any data processor providing important data collected and generated during operations within the territory of the PRC or personal information that should be subject to security assessment according to the relevant law to an overseas recipient shall conduct security assessment. The Measures for the Security Assessment of Cross-border Data Transfer provides four circumstances, under any of which data processors shall, through the local cyberspace administration at the provincial level, apply to the national cyberspace administration for security assessment of cross-border data transfer. These circumstances include: (1) where the important data are transferred to an overseas recipient; (2) where the personal information is transferred to an overseas recipient by an operator of critical information infrastructure or a data processor that has processed personal information of more than one million people; (3) where a data processor provides personal information to an overseas recipient if such data processor has already provided overseas the personal information of 100,000 people or sensitive personal information of 10,000 people since January 1 of the preceding year; or (4) other circumstances under which security assessment of outbound data transfer is required as prescribed by the national cyberspace administration.

On March 22, 2024, the CAC has promulgated the Provisions on Promoting and Regulating Cross-Border Date Flows (《促進和規範數據跨境流動規定》), which became effective on the same day. To provide the data collected and generated in such activities as international trade, cross-border transport, academic cooperation, transnational manufacturing and marketing, which do not contain personal information or important data, to overseas parties, it is exempted from declaring security assessment for data to be provided abroad, concluding a standard contract for personal information to be provided abroad or passing authentication for protection of personal information.

Laws and Regulations Relating to the Fire Protection and Environmental Protection

Fire Protection

Pursuant to *the Fire Safety Law of the PRC* (《中華人民共和國消防法》) promulgated by the SCNPC on April 29, 1998 and last amended on April 29, 2021, for special construction projects stipulated by the housing and urban-rural development authority of the State Council, the developer shall submit the fire safety design documents to the housing and urban-rural development authority for examination, while for construction projects other than those stipulated as special development projects, the developer shall, at the time of applying for the construction permit or approval for work commencement report, provide the fire safety design drawings and technical materials which satisfy the construction needs. According to *the Interim Regulations on Administration of Examination and Acceptance of Fire Control Design of Construction Projects* (《建設工程消防設計審查驗收管理暫行規定》) promulgated on April 1, 2020 and amended on August 21, 2023, an examination system for fire prevention design and acceptance only applies to special construction projects, and for other projects, a record-filing and spot check system would be applied.

Enterprises in the PRC must comply with *the Law of the PRC on the Prevention and Control of Water Pollution* (《中華人民共和國水污染防治法》), which was promulgated by the SCNPC on May 11, 1984 and amended on June 27, 2017, *the Law of the PRC on the Prevention and Control of Atmospheric Pollution* (《中華人民共和國大氣污染防治法》) amended on October 26, 2018 and *the Law of the PRC on the Prevention and Control of Pollution from Noise* (《中華人民共和國噪聲污染防治法》), which was amended on December 24, 2021 and became effective on June 5, 2022. These laws regulate extensive issues in relation to the environment protection including waste water discharge, air pollution control and noise emission. Pursuant to these laws, all the enterprises that may cause environmental pollution in the course of their production and business operation shall introduce environmental protection measures in their plants and establish a reliable system for environmental protection. Enterprises are required to adopt effective measures to prevent and control the level of environmental pollution and hazards produced during the process of production, construction or other activities.

According to *the Prevention and Control of Environmental Pollution by Solid Waste Law of the PRC* (《中華人民共和國固體廢物污染環境防治法》), which was adopted on October 30, 1995, subsequently amended on December 29, 2004, June 29, 2013, November 7, 2016 and April 29, 2020, all Enterprises and individuals shall take measures to reduce the generation of solid wastes, promote the comprehensive utilization of solid wastes and reduce the harmfulness of solid wastes. Enterprises generating hazardous wastes shall store, utilize and dispose of hazardous wastes pursuant to the relevant provisions of the State and the requirements of environmental protection standards, and shall not arbitrarily dump or pile up the hazardous wastes.

Pursuant to *the Administrative Regulation for Pollutant Discharge Licensing* (《排污許可管理條例》), which became effective on March 1, 2021, enterprises, public institutions and other producers and business operators that are subject to the administration of pollutant discharge permits in accordance with the provisions of the law shall apply for pollutant discharge permit in accordance with the provisions of these Regulations. Based on factors such as the amount of pollutants produced, the amount of pollutants discharged and the impact on the environment, pollutant discharge units are subject to two different level of pollutant discharge permit administration, namely priority administration and simplified administration.

Environmental Impact Assessment

According to *the Environmental Impact Assessment of the PRC* (《中華人民共和國環境影響評價法》) promulgated by the SCNPC on October 28, 2002 and last amended on December 29, 2018, and *the Regulations on the Administration of Environmental Protection for Construction Project* (《建設項目環境保護管理條例》) promulgated by the State Council on November 29, 1998 and became effective on November 29, 1998, amended on July 16, 2017 by the State Council and took effect on October 1, 2017, an environmental impact assessment is required to be completed prior to the construction of a project and a three-tier system for the environmental impact assessments shall be established. In the case of a construction project that may cause significant environmental impacts, a report of environmental impacts shall be completed by a qualified institution and includes a full assessment of environmental impacts. In the case of a construction project that may cause mild environmental impacts, a report form shall be completed by a qualified institution and includes an analysis or special assessment of environmental impacts. In the case of a construction project that may cause minimal environmental impact, an environmental impact assessment is unnecessary and a registration form shall be completed. The catalog for the classified management of environmental impact assessments for construction projects is formulated and issued by the environmental protection administration department of the State Council. The environmental impact report and the environmental impact report form shall be submitted to the competent administrative department responsible for environmental protection for review and approval, and in the absence of such approval, the permission for construction of the project will not be granted and the construction is not allowed to be commenced.

According to *the Interim Measures for the Acceptance Inspections of Environment Protection Facilities of Construction Project* (《建設項目竣工環境保護驗收暫行辦法》) promulgated by the Ministry of Environmental Protection of the PRC on November 20, 2017, unless otherwise stipulated by laws and regulations, entities which are required to provide assessment reports and statements shall undertake the responsibility of acceptance inspections of the environmental protection facilities by itself upon the completion of the construction project. A construction project may be formally put into production or use only if the corresponding environmental protection facilities have passed the acceptance examination.

Laws and Regulations Relating to Intellectual Property

Trademarks

Trademarks are protected by *the Trademark Law of the PRC* (《中華人民共和國商標法》), or the PRC Trademark Law which was promulgated by SCNPC on August 23, 1982 and last amended on April 23, 2019, and came into force on November 1, 2019, as well as *the Implementation Regulation of the Trademark Law of the PRC* (《中華人民共和國商標法實施條例》) adopted by the State Council on August 3, 2002, subsequently amended on April 29, 2014, and became effective on May 1, 2014. In China, registered trademarks include commodity trademarks, service trademarks, collective marks and certification marks.

The Trademark Office (商標局) under the National Intellectual Property Administration (國家知識產權局) handles trademark registrations and grants a term of ten-year from the date of registration to registered trademarks. Trademarks are renewable every ten years where a registered trademark needs to be used after the expiration of its validity term. A registration renewal application shall be filed within twelve months prior to the expiration of the term. A trademark registrant may license its registered trademark to another party by entering into a trademark license contract. Trademark license agreements must be filed with the Trademark Office for record. The licensor shall supervise the quality of the commodities on which the trademark is used and the licensee shall guarantee the quality of such commodities, the licensee shall display the name of the licensor and the place of origin on the commodities that bear the licensed registered trademark. As to trademarks, the PRC Trademark Law has adopted a "first come, first file" principle with respect to trademark registration. Where trademark for which a registration application has been made is identical or similar to another trademark which has already been registered or been subject to a preliminary examination and approval for use on the same kind of or similar commodities or services, the application for registration of such trademark may be rejected. Any person applying for the registration of a trademark may not prejudice the existing right first obtained by others, nor may any person register in advance a trademark that has already been used by another party and has already gained a "sufficient degree of reputation" through such party's use.

Patents

According to *the Patent Law of the PRC* (《中華人民共和國專利法》), or the Patent Law, promulgated by the SCNPC on March 12, 1984, and latest revised on October 17, 2020 and came into effect on June 1, 2021, and *the Rules for the Implementation of the Patent Law of the PRC* (《中華人民共和國專利法實施細則》) promulgated by the State Council on June 15, 2001, last amended on December 11, 2023 and became effective on January 20, 2024, the patent administrative department under the State Council is responsible for administration of patent-related work nationwide. The patent administration departments of province or autonomous regions or municipal governments are responsible for administering patents within their respective jurisdictions. The Patent Law and its implementation rules divide patents into three types, "invention", "utility model" and "design". Invention patents are valid for twenty years, while design patents are valid for fifteen years and utility model patents are valid for ten years, from the date of application. The patentee shall pay an annual fee commencing from the year in which the patent right is granted. The PRC patent system adopts a "first come, first file" principle, which means that where more than one person files a patent application for the same invention, a patent will be granted to the person who files the application first. A third-party player must obtain consent or a proper license from the patent owner to use the patent. Otherwise, the use constitutes an infringement of the patent rights.

Copyright

The Copyright Law of the PRC (《中華人民共和國著作權法》) (the "**Copyright Law**") which was promulgated by the SCNPC on September 7, 1990, and last amended on November 11, 2020, and came into effect on June 1, 2021, provides that Chinese citizens, legal persons, or other organizations shall, whether published or not, enjoy copyright in their works, which include, among others, works of literature, art, natural science, social science, engineering technology and computer software. The purpose of the PRC Copyright Law is to encourage the creation and dissemination of works which is beneficial to the construction of socialist spiritual civilization and material civilization and promote the development and prosperity of Chinese culture. According to the Copyright Law, copyright shall belong to the author, unless otherwise stipulated in the Copyright Law. The period of protection of right of authorship, right of revision, right to preserve the integrity of work of an author shall not be subject to restriction. In any of the following circumstances, the author shall enjoy the right of authorship, and other rights of copyright shall be enjoyed by legal persons or unincorporated organizations, and legal persons or unincorporated organizations may give rewards to the authors: (1) works created in the course of employment such as engineering design plan, product design plan, map, schematic diagram, computer software, etc. which are created primarily with the use of material and technical conditions of the legal persons or unincorporated organizations, and for which legal persons or unincorporated organizations bear responsibility; (2) works created in the course of employment by personnel of newspaper offices, periodical offices, news agencies, radio stations and television stations; or (3) works created in the course of employment whose copyright belongs to the legal persons or unincorporated organizations pursuant to the provisions of laws, and administrative regulations or contractual agreement. The period of protection of the right of publication for works of a legal person or unincorporated organization, and works created in the course of employment in which the copyright (except for right of authorship) belongs to the legal person or unincorporated organization, shall be 50 years, and shall expire on 31 December of the 50th year after completion of the works; the period of protection of the rental right, reproduction right etc. shall be 50 years, and shall expire on 31 December of the 50th year after the first publication of the works, but where such works are not published within 50 years from completion of creation, they shall no longer be protected by the Copyright Law.

According to *the Regulation on Computer Software Protection* (《計算機軟件保護條例》), which took effect on October 1, 1991 and was last amended on January 30, 2013 and subsequently enforced on March 1, 2013, the software copyright shall exist from the date on which its development has been completed, and software copyright owner may register with the software registration institution recognized by the copyright administration department of the State Council. Software copyright commences from the date on which the development of the software is completed. The protection period for software copyright of a legal person or other organization shall be 50 years, concluding on 31 December of the 50th year after the software's initial release. But if the software has not been released within 50 years from the date on which the software development is completed, it shall no longer receive the protection of these Regulations. On February 20, 2002, the National Copyright Administration of the PRC promulgated *the Measures on Computer Software Copyright Registration* (《計算機軟件著作權登記辦法》), which outlines the operational procedures for registration of software copyright, as well as registration of the license for the software copyright and software copyright transfer contracts. The Copyright Protection Center of the PRC (中國版權保護中心) is mandated as the software registration agency under the regulations.

Laws and Regulations Relating to Employment and Social Welfare

Employment

The major PRC laws and regulations that govern employment relationship are *the PRC Labor Law* (《中華人民共和國勞動法》) which was promulgated by the SCNPC on July 5, 1994 and latest amended on December 29, 2018, *the PRC Labor Contract Law* (《中華人民共和國勞動合同法》) which was promulgated by the SCNPC on June 29, 2007 and latest amended on December 28, 2012. *The PRC Labor Law* and *the PRC Labor Contract Law* impose stringent requirements on the employers in relation to entering into fixed-term employment contracts, hiring of temporary employees and dismissal of employees.

Labor Dispatch

According to the Interim Provisions on Labor Dispatch (《勞務派遣暫行規定》) which was promulgated by Ministry of Human Resources and Social Security on January 12, 2014 and become effective on March 1 2014, an employer may employ dispatched workers in temporary, auxiliary or substitute job positions only. The employer shall strictly control the number of dispatched workers it employed, which shall not exceed 10% of the total number of employees meanwhile. For the purpose of the preceding paragraph, the total number of employees refers to the sum of the number of employees with a labor contract with the employer and the number of dispatched workers the employer employed. To employ dispatched workers, the employer shall sign a labor dispatch agreement with a qualified labor dispatch company.

Social Insurance

The PRC Social Insurance Law (《中華人民共和國社會保險法》), or *the Social Insurance Law*, promulgated by the SCNPC on October 28, 2010 and last amended on December 29, 2018, has established social insurance systems of basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance and has elaborated in detail the legal obligations and liabilities of employers who fail to comply with relevant laws and regulations on social insurance. According to *the Social Insurance Law* and *the Provisional Regulations on Collection and Payment of Social Insurance Premiums* (《社會保險費徵繳暫行條例》) promulgated by the State Council on January 22, 1999 and most recently amended on March 24, 2019 and effective from the same date, enterprises shall register social insurance with local social insurance and pay or withhold relevant social insurance for or on behalf of its employees. Any employer that fails to make social insurance contributions may be ordered to rectify the non-compliance and pay the required contributions within a prescribed time limit and be subject to a late fee. If the employer still fails to rectify the failure to make the relevant contributions within the prescribed time, it may be subject to a fine ranging from one to three times the amount overdue.

Apart from the general provisions about social insurance, specific provisions on various types of insurance are set out in *the Regulation on Work-Related Injury Insurance* (《工傷保險條例》) which was issued by the State Council on April 27, 2003, came into effect on January 1, 2004 and revised on December 20, 2010, *the Regulations on Unemployment Insurance* (《失業保險條例》) which was issued by the State Council on January 22, 1999 and came into effect on the same day, *the Trial Measures on Employee Maternity Insurance of Enterprises* (《企業職工生育保險試行辦法》), which was issued by the Ministry of Labor on December 14, 1994 and came into effect on January 1, 1995. Enterprises subject to these regulations shall provide their employees with the corresponding insurance.

Housing Provident Fund

According to *the Regulation on the Administration of Housing Provident Fund* (《住房公積金管理條例》), which was implemented on April 3, 1999 and latest amended on March 24, 2019, any newly established entity shall make deposit registration at the housing accumulation fund management center within 30 days as of its establishment. After that, the entity shall open a housing accumulation fund account for its employees in an entrusted bank. Within 30 days as of the date an employee is recruited, the entity shall make deposit registration at the housing accumulation fund management center and seal up the employee's housing accumulation fund account in the bank mentioned above within 30 days from termination of the employment relationship. Any entity that fails to make deposit registration of the housing accumulation fund or fails to open a housing accumulation fund account for its employees shall be ordered to complete the relevant procedures within a prescribed time limit. Any entity failing to complete the relevant procedure within the time limit will be fined RMB10,000 to RMB50,000. Any entity that fails to make payment of housing provident fund within the time limit or has a shortfall in payment of housing provident fund will be ordered to make the payment or make up the shortfall within the prescribed time limit, otherwise, the housing provident management center is entitled to apply for compulsory enforcement with the People's Court.

Laws and Regulations Relating to Employee Stock Ownership Plan

According to the *Notice of the State Administration of Foreign Exchange on the Relevant Issues Concerning the Administration of Foreign Exchange for Domestic Individuals' Participation in Equity Incentive Programs of Overseas Listed Companies* (《國家外匯管理局關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》), which was implemented on February 15, 2012, all individuals who participate in the same equity incentive program of an overseas listed company shall, through their domestic company, collectively entrust one domestic agency to solely handle the relevant matters for them including registration of foreign exchange, opening of the account and transfer and conversion of funds, and one overseas shall solely handle such matters including individuals' exercise of rights, the purchase and sale of relevant stocks or equities and transfer of relevant funds. The domestic agency shall solely handle the registration of foreign exchange for the individuals' participation in an equity incentive program with the local branch or foreign exchange administrative department of the State Administration of Foreign Exchange. The local administration of foreign exchange shall, after verifying the above materials, issue to the domestic agency the relevant foreign exchange registration certificate for equity incentive programs containing the corresponding quota of foreign exchange payment, and the banks shall handle the relevant procedures for the purchase and payment of foreign exchange within such quota for the domestic agency.

Laws and Regulations Relating to Foreign Exchange

Pursuant to the *Regulations on the Administration of Foreign Exchange of the PRC* (《中華人民共和國外匯管理條例》) promulgated by the State Council on January 29, 1996 and last amended and implemented on August 5, 2008, RMB can be converted into other currencies for current accounts such as trade-related income and expenses and payments of interest and dividends. While for capital items such as direct equity investment, loan and divestment, the conversion of RMB into other currencies and the remittance of the converted foreign currencies outside China shall be subject to prior approval of the SAFE or its local branches.

The *Circular of the State Administration of Foreign Exchange on Further Improving and Adjusting Foreign Exchange Administration Policies on Foreign Direct Investment* (《國家外匯管理局關於進一步改進和調整直接投資外匯管理政策的通知》) ("**Circular 59**"), which was promulgated by SAFE on November 19, 2012 and last amended on October 10, 2018, part of which was abolished on December 30, 2019, substantially amends and simplifies the foreign exchange procedure. Pursuant to Circular 59, the opening of various special purpose of foreign exchange accounts, such as pre-establishment expenses accounts, foreign exchange capital accounts and deposits accounts, the reinvestment of RMB proceeds derived by foreign investors within the PRC, and remittance of foreign exchange profits and dividends by a foreign-invested enterprise to its foreign shareholders no longer require the approval or verification of SAFE, and multiple capital accounts for the same entity may be opened in different provinces. In February 2015, SAFE promulgated the *Notice on Further Simplifying and Improving the Administration of the Foreign Exchange Concerning Direct Investment* (《關於進一步簡化和改進直接投資外匯管理政策的通知》), part of which was abolished on December 30, 2019. It stipulates that banks shall, on behalf of SAFE, directly examine and handle foreign exchange registration under domestic direct investment and overseas direct investment, and SAFE and its branches shall exercise indirect supervision over foreign exchange registration of direct investment through banks.

On May 11, 2013, SAFE promulgated the *Provisions on Foreign Exchange Administration over Domestic Investment by Foreign Investors* (《外國投資者境內直接投資外匯管理規定》) ("**Circular 21**"), which was effective on May 13, 2013, amended on October 10, 2018 and partially abolished on December 30, 2019. Circular 21 stipulates that SAFE and its branches shall manage foreign investors' indirect investment within the PRC through registration, and banks shall handle the foreign exchange business of direct investment within the PRC according to the registration information provided by SAFE or its branches.

Laws and Regulations Relating to Offshore Investment

According to the *Notice of the State Administration of Foreign Exchange on Issues Relating to Foreign Exchange Control for Overseas Investment and Financing and Round-tripping by Chinese Residents through Special Purpose Vehicles* (《國家外匯管理局關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》), a mainland Chinese resident must register with the local SAFE counterpart before contributing assets or equity interests in an offshore special purpose vehicle, that is directly established or indirectly controlled by such mainland Chinese resident for the purpose of conducting investment or financing. In addition, following the initial registration, in the event of any major change in respect of the offshore special purpose vehicle, including, among other things, changes in mainland Chinese resident shareholder(s), the name of the offshore special purpose vehicle, terms of operation, or any increase or reduction in capital, share transfer or swap, and merger or division, the mainland Chinese resident shall complete the change of foreign exchange registration procedures for offshore investment with the local SAFE counterpart. According to the procedural guideline as attached to SAFE Circular 37, the principle of review has been revised, specifying that the domestic individual resident shall only register the offshore special purpose vehicle directly established or controlled (first level). At the same time, the SAFE has issued the *Operation Guidance for the Issues Concerning Foreign Exchange Administration over Round-trip Investment* (《返程投資外匯管理所涉業務操作指引》) with respect to the procedures for SAFE registration under SAFE Circular 37, which became effective on July 4, 2014, as an attachment to SAFE Circular 37. Under the relevant rules, failure to comply with the registration procedures set out in SAFE Circular 37 may result in restrictions on the foreign exchange activities of the relevant onshore company, including the payment of dividends and other distributions to its offshore parent or affiliate, and may also subject relevant mainland Chinese residents to penalties under foreign exchange administration regulations in mainland China. Mainland Chinese residents who hold any shares in the company from time to time are required to register with the SAFE in connection with their investments in the company.

Laws and Regulations Relating to Taxation

Enterprise Income and Dividends Withholding Tax

According to *the Enterprise Income Tax Law of the PRC* (《中華人民共和國企業所得稅法》), which was promulgated by the Standing Committee of the National People's Congress (the SCNPC) and was latest amended on December 29, 2018, and *the Implementation Regulations for the Enterprise Income Tax Law of the PRC* (《中華人民共和國企業所得稅法實施條例》), which was promulgated by the State Council and was last amended on April 23, 2019, collectively referred to as the Enterprise Income Tax Law, a uniform 25% enterprise income tax ("**EIT**") rate is imposed to both foreign invested enterprises and domestic enterprises.

According to *the Arrangement Between the Mainland Of China And the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income* (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》), dividends paid by a company which is a resident of One Side to a resident of the Other Side, may be taxed in that Other Side[1]. Such dividends may also be taxed in the Side of which the company paying the dividends is a resident, and according to the laws of that Side, but if the beneficial owner of the dividends is a resident of the Other Side, where the beneficial owner is a company directly owning at least 25% of the capital of the company which pays the dividends, the tax so charged shall not exceed 5% of the gross amount of the dividends. And in any other case, the tax so charged shall not exceed 10% of the gross amount of the dividends. Pursuant to *the Notice of the State Administration of Taxation on Issues Relating to the Implementation of Dividend Clauses in Tax Treaties* (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》), a tax resident of the other contracting party intending to enjoy the tax treatment prescribed in a tax treaty shall satisfy the condition: The proportion of the capitals of the Chinese resident company directly owned by the tax resident of the other contracting party shall, at any time within the consecutive 12 months before obtaining dividends, satisfy the provisions on the proportion prescribed in the tax treaty.

Value-added Tax

Pursuant to *the Provisional Regulations of the PRC on Value-added Tax* (《中華人民共和國增值稅暫行條例》), which was promulgated by the State Council and was last amended on November 19, 2017, and *the Implementation Rules for the Provisional Regulations the PRC on Value-added Tax* (《中華人民共和國增值稅暫行條例實施細則》), which was promulgated by the Ministry of Finance and was latest amended on October 28, 2011 and effective from November 1, 2011, entities and individuals engaging in selling goods, providing processing, repairing or replacement services or importing goods within the territory of the PRC are taxpayers of the value-added tax.

According to *the Notice of the Ministry of Finance and the State Taxation Administration on the Adjusting Value-added Tax Rates* (《財政部、國家稅務總局關於調整增值稅稅率的通知》) effective on May 1, 2018, the value-added tax rates of 17% and 11% on sales, imported goods shall be adjusted to 16% and 10%, respectively. For the export goods to which a tax rate of 17% was originally applicable and the export rebate rate was 17%, the export rebate rate is adjusted to 16%. For the export goods and cross-border taxable activities to which a tax rate of 11% was originally applicable and the export rebate rate was 11%, the export rebate rate is adjusted to 10%.

According to *the Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on Relevant Policies for Deepening the Value-Added Tax Reform* (《關於深化增值稅改革有關政策的公告》) promulgated on March 20, 2019 and effective from April 1, 2019, the value-added tax rates of 16% and 10% on sales, imported goods shall be adjusted to 13% and 9%, respectively.

1 The terms "One Side" and "the Other Side" mean the Mainland of China or the Hong Kong Special Administrative Region, as the context requires.

Transfer Pricing

According to the Corporate Income Tax Law and its Implementation Regulations, as well as the *Tax Collection and Administration Law of the People's Republic of China* (《中華人民共和國稅收徵收管理法》) that was revised by the SCNPC on April 24, 2015 and became effective on the same day, and the *Implementing Regulations of the Tax Collection and Administration Law of the People's Republic of China* (《中華人民共和國稅收徵收管理法實施細則》) that was revised by the State Council on February 6, 2016 and became effective on the same day, for business transactions between affiliated enterprises, the receipt or payment of prices and fees shall follow the arm's length principle. Where the receipt or payment of prices and fees does not follow the arm's length principle and results in a reduction of taxable income, the tax authorities shall have the right to make reasonable adjustments.

Based on the *Announcement of the State Taxation Administration on Matters Relating to the Improvement of the Administration of Related Party Transaction Reporting and Contemporaneous Documentation* (《國家稅務總局關於完善關聯申報和同期資料管理有關事項的公告》) promulgated and became effective on June 29, 2016, enterprises which have related-party transactions and meet corresponding conditions shall prepare their contemporaneous documentation (同期資料) per tax year and submit to the tax authority if required by the same. Contemporaneous documentation includes master file (主體文檔), local file (本地文檔) and special issue file (特殊事項文檔).

According to the *Announcement of the State Taxation Administration on Issuing the Administrative Measures for Special Tax Adjustment and Investigation and Mutual Agreement Procedures* (《國家稅務總局關於發佈特別納稅調查調整及相互協商程序管理辦法的公告》) which was issued on March 17, 2017 and became effective on May 1, 2017 and was amended on June 15, 2018, an enterprise may adjust and pay taxes at its own discretion when it receives a special tax adjustment risk warning or identifies its own special tax adjustment risks, while the tax authorities may also carry out special tax investigation and adjustment in accordance with the relevant provisions in regard to enterprises that adjust and pay taxes at their own discretion.

Laws and Regulations Relating to Foreign Investment in the PRC

Foreign Investment

Investment activities in the PRC by foreign investors were principally governed by *the Special Administrative Measures (Negative List) for Access of Foreign Investment (2024 version)* (《外商投資准入特別管理措施(負面清單)》(2024年版)) (the "**Negative List**"), and *the Catalogue of Industries for Encouraging Foreign Investment (2022 version)* (《鼓勵外商投資產業目錄》(2022年版)) (the "**Encouraging List**"). The Negative List, which came into effect on November 1, 2024, sets out special administrative measures (restricted or prohibited) in respect of the access of foreign investments in a centralized manner, and the Encouraging List which came into effect on January 1, 2023, sets out the encouraged industries for foreign investment. The group business is not on the Negative List.

Foreign-Invested Enterprises

The Company Law (《中華人民共和國公司法》) regulates the establishment, operation and management of corporate entities in China and classifies companies into limited liability companies and limited companies by shares. According to *the Foreign Investment Law of the PRC* (《中華人民共和國外商投資法》) promulgated by the SCNPC on March 15, 2019, and came into effect on January 1, 2020, the state shall implement the management systems of pre-establishment national treatment and negative list for foreign investment, and shall give national treatment to foreign investment beyond the negative list. Simultaneously, *the Law of the People's Republic of China on Sino-foreign Equity Joint Ventures* (《中華人民共和國中外合資經營企業法》), *the Wholly Foreign-owned Enterprises Law of the PRC* (《中華人民共和國外資企業法》) and *the Law of the People's Republic of China on Sino-foreign Contractual Joint Ventures* (《中華人民共和國中外合作經營企業法》) have been repealed since January 1, 2020.

On December 26, 2019, the State Council promulgated *the Regulations on Implementing the Foreign Investment Law of the PRC* (《中華人民共和國外商投資法實施條例》), which came into effect on January 1, 2020. Simultaneously, *the Regulations on Implementing the Sino-Foreign Equity Joint Venture of the PRC* (《中華人民共和國中外合資經營企業法實施條例》), *the Provisional Regulations on the Duration of Sino-Foreign Equity Joint Venture* (《中外合資經營企業合營期限暫行規定》), *the Regulations on Implementing the Wholly Foreign-owned Enterprise Law of the PRC* (《中華人民共和國外資企業法實施細則》) and *the Regulations on Implementing the Sino-foreign Cooperative Joint Venture of the PRC* (《中華人民共和國中外合作經營企業法實施細則》) have been repealed since January 1, 2020.

According to *the Measures for the Reporting of Foreign Investment Information* (《外商投資信息報告辦法》), which was promulgated by the Ministry of Commerce of the PRC (the "**MOFCOM**") and the SAMR on December 30, 2019 and came into effect on January 1, 2020 and simultaneously replaced *the Interim Measures for the Recordation Administration of the Incorporation and Change of Foreign-Invested Enterprises* (《外商投資企業設立及變更備案管理暫行辦法》), for carrying out investment activities directly or indirectly in PRC, the foreign investors or foreign-invested enterprises shall submit investment information to the commerce authorities pursuant to these measures. Foreign investors or foreign investment enterprises shall promptly submit investment information, comply with the principles of veracity, accuracy and integrity, shall not make false or misleading reporting, and shall not contain serious omission.

Laws and Regulations Relating to Overseas Securities Offering and Listings

Overseas Securities Offering and Listings

On February 17, 2023, the China Securities Regulatory Commission, or the CSRC released several regulations regarding the management of filings for overseas offerings and listings by domestic companies, including *the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies* (《境內企業境外發行證券和上市管理試行辦法》) ("**Trial Measures**") together with 5 supporting guidelines (together with the Trial Measures, collectively referred to as the "**New Regulations on Filing**"), which was implemented on March 31, 2023. Under New Regulations on Filing, PRC domestic companies that seek to offer and list securities in overseas markets, either in direct or indirect means, are required to file the required documents with the CSRC within three working days after its application for overseas listing is submitted.

The New Regulations on Filing provides that no overseas offering and listing shall be made under any of the following circumstances: (i) such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (ii) the intended securities offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (iii) the domestic company intending to make the securities offering and listing, or its controlling shareholders and the actual controller, have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) the domestic company intending to make the securities offering and listing is suspected of committing crimes or major violations of laws and regulations, and is under investigation according to law and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the domestic company's controlling shareholder or by other shareholders that are controlled by the controlling shareholder and/or actual controller. Overseas offering and listing by domestic companies shall be made in strict compliance with relevant laws, administrative regulations and rules concerning national security in spheres of foreign investment, cybersecurity, data security and etc., and duly fulfill their obligations to protect national security.

Any overseas offering and listing made by an issuer that meets both the following conditions will be determined as indirect: (1) 50% or more of the issuer's operating revenue, total profit, total assets or net assets as documented in its audited consolidated financial statements for the most recent accounting year is accounted for by domestic companies; and (2) the main parts of the issuer's business activities are conducted in the Chinese Mainland, or its main places of business are located in the Chinese Mainland, or the senior managers in charge of its business operation and management are mostly Chinese citizens or domiciled in the Chinese Mainland. The determination as to whether or not an overseas offering and listing by domestic companies is indirect, shall be made on a substance over form basis.

Confidentiality and Archives Administration

On February 24, 2023, the CSRC and other three relevant government authorities jointly promulgated *the Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Issuance and Listing by Domestic Enterprises* (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》), or the Provision on Confidentiality, which was implemented on March 31, 2023. Pursuant to the Provision on Confidentiality, where a domestic enterprise provides or publicly discloses any document or material that involves state secrets and working secrets of state agencies to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, it shall report to the competent department with the examination and approval authority for approval in accordance with the law, and submit to the secrecy administration department of the same level for filing. The working papers formed within the territory of the PRC by the securities companies and securities service agencies that provide corresponding services for the overseas issuance and listing of domestic enterprises shall be kept within the territory of the PRC, and cross-border transfer shall go through the examination and approval formalities in accordance with the relevant provisions of the State.

LAWS AND REGULATIONS RELATING TO LEASED PROPERTIES

According to the *Administrative Measures for Commercial Housing Leases* (《商品房屋租賃管理辦法》), which was promulgated by the Ministry of Housing and Urban-Rural Development on December 1, 2010 and became effective on February 1, 2011, the lessor and the lessee shall complete property leasing registration and filing formalities within 30 days from execution of the property lease contract with the development (real estate) department of the People's Government of the centrally-administered municipality, municipality or county where the leased property is located. Failure to complete the relevant lease registration may subject the parties to the lease agreement a fine between RMB1,000 to RMB10,000.

LAWS AND REGULATIONS IN AUSTRALIA

The following sets out an overview of the key Australian laws and regulations that we believe are relevant to our business and operations.

Corporations Law

Australian companies are subject to the *Corporations Act 2001 (Cth)* (the "**Act**"). The Act sets out the requirements that all companies must comply including those relating to corporate governance, financial reporting, duties owed by directors and procedures for issuing shares. The obligations of companies under the Act is administered by the national regulator, the Australian Securities and Investment Commission ("**ASIC**").

Company officeholders

A company must ensure that each of its secretaries and directors provide a signed consent to act before appointing such persons. Companies are further required to hold records of these consents. Individuals are additionally required to apply for a director identification number before they are appointed to become directors of a company.

Notifications of key changes

Companies are required to update ASIC in respect of key changes such as changes to share structure, officeholders, registered address/principal place of business on an ongoing basis. For example, changes to a company's share structure must be notified to ASIC within 28 days of the change occurring.

Import

Road vehicle type approvals

In Australia, the importation and supply of caravans is regulated under the Road Vehicle Standards Act 2018 (Cth) ("**RVS Act**"). Under the RVS Act, a person must obtain an approval in order to lawfully import a road vehicle into Australia from the Department of Infrastructure, Transport, Regional Development, Communications and Arts ("**Department of Infrastructure**"). A 'road vehicle' is defined as (amongst other things), a trailer or other vehicle (including equipment or machinery equipped with wheels) designed to be towed on a public road by a motor vehicle (RVS Act, section 6). A motor vehicle means a vehicle that uses, or is designed to use: (a) volatile spirit, gas, oil, electricity or any other power (other than human or animal power) as the principal means of propulsion; or (b) more than one of the powers mentioned in (a) (other than human or animal power) as a means of propulsion, but does not include a vehicle used exclusively on a railway or a tramway (RVS Act, section 6). The definition of 'road vehicle' therefore captures caravans.

Road vehicles cannot be imported into Australia by a person unless the person holds a road vehicle type approval that is in force at the time of importation for that particular vehicle (RVS Act, section 22). ROVER is an administration system for the RVS Act. Penalties apply.

Synthetic greenhouse gas (SGG) equipment

Additionally, import restrictions apply to vehicles that contained controlled refrigerant gas (i.e. certain types of gas commonly used in fridges and air conditioning, which may be incorporated into caravan vehicles). The *Ozone Protection and Synthetic Greenhouse Gas Management Act 1989* (Cth) ("**Ozone Protection Act**") provides for controls on activities involving certain ozone depleting substances and synthetic greenhouse gases ("**SGG**"). A person may apply to the Minister for a number of licenses, including a licence to import specified SGG equipment (Ozone Protection Act, section 14).

Conditions may be imposed on licenses (Ozone Protection Act, section 18). Relevant conditions applicable to the Australian companies include (amongst others):

- a requirement that the licensee must notify the Department of Climate Change, Energy, the Environment and Water ("**DCCEEW**") of a change of address or any other contact details, within 30 days of the change occurring;

- a requirement that the licensee must notify the DCCEEW, within 30 days of the event occurring, if:

    - o being an individual, the licensee becomes bankrupt or enters into a scheme of arrangement with creditors, or is convicted of an offence that is punishable by 6 months imprisonment or more;

  - o being a corporation, the licensee comes under one of the forms of external administration referred to in chapter 5 of the Corporations Act 2001, or an order has been made for the purpose of placing the corporation under external administration, or is convicted of an offence that is punishable by a penalty of 30 penalty units or more;

- a requirement that the licensee must not permit the licence number to be used by another person or business;

- a requirement that the licensee must not import equipment charged with an Ozone Depleting Substance ("**ODS**") unless the equipment is specifically exempted in the Ozone Protection and Synthetic Greenhouse Gas Management Regulations 1995 (the "**Regulations**"); and

- a requirement that for the duration of the licence, the licensee must hold membership, and act in accordance with the membership rules, of:

  - o if importing refrigeration or air-conditioning equipment — Refrigerant Reclaim Australia or another approved Product Stewardship Scheme; or

  - o if importing another type of equipment — an appropriate approved Product Stewardship Scheme (if one exists).

Product stewardship is an approach to managing the impacts of different products and materials on the environment and human health and safety. Product stewardship schemes help to manage these impacts over a product's life-cycle. These schemes can be:

- industry-led voluntary schemes;

- co-regulatory arrangements between industry and government; or

- mandatory schemes under law.

Export

The Australian companies export caravans from Australia to New Zealand. A review of applicable controls on caravan exports from Australia has been conducted, and no additional restrictions and/or licenses are required to be obtained from an Australian authority to export caravans from Australia to New Zealand.

Licenses and Permits

Approvals under national vehicle standards laws

A road vehicle cannot be provided to a person for the first time in Australia unless the vehicle is entered onto the Register of Approved Vehicles ("**RAV**") (RVS Act, section 24). All road vehicles (including caravans) must be entered on the RAV before they can be provided to the market for the first time in Australia (RVS Act, section 24).

Further, generally a road vehicle cannot be entered onto the RAV unless an approval has been obtained from the Department of Infrastructure (RVS Act, section 15).

Motor dealer licences

The Australian companies wholesale sells caravans to dealers in Victoria, and sells both new and used caravans direct to the public in New South Wales, Queensland, Western Australia and Victoria. The sale of caravans require licensing in certain states/territories, including New South Wales, Western Australia and Queensland.

The Australian companies also have arrangements with dealerships across Australia and New Zealand. In such cases, the requirement to hold and obtain licences lies with the dealer.

New South Wales

In New South Wales, a motor dealers licence is required under the *Motor Dealers and Repairers Act 2013* (NSW) ("**NSW Act**") to retail and wholesale sell caravans. 'Retail' and 'wholesale' are not defined.

Under the NSW Act, a person must not carry on, or advertise that the person carries on or is willing to carry on, the business of a motor dealer unless the person is the holder of a motor dealer's licence and the business is carried on or proposed to be carried on at a place for which the licence is granted and the business is carried on or proposed to be carried on in accordance with the licence (NSW Act, section 11).

Relevantly:

- a 'motor dealer' means a person who carries on the business of dealing in motor vehicles as a retailer **or** on a wholesale basis (NSW Act, section 5);

- a 'motor vehicle' is defined in section 4 of the NSW Act to mean a vehicle of the following kind that is built to be propelled by a motor that forms part of the vehicle, and includes a trailer — any description of vehicle on wheels, other than a vehicle used on a trailway or tramway or an aircraft. We note that vehicle is not defined; and

- a 'trailer' is defined in section 4 of the NSW Act as a vehicle that is built to be towed, or is towed by a motor vehicle, and is not capable of being propelled in the course of normal use on roads without being towed by a motor vehicle, whether or not its movement is aided by some other power source, but does not include a motor vehicle being towed or a trailer having a tare weight of 250 kilograms or less. Caravans generally fall under the definition of a 'trailer' and therefore is a 'motor vehicle'.

The holder of a motor dealer's licence must not offer or display a motor vehicle for sale at a place other than notified premises (NSW Act, section 48).

Western Australia

A motor vehicle dealers licence is required in Western Australia to sell caravans under the *Motor Vehicle Dealers Act 1973* (WA) ("**WA Act**").

A body corporate that applies to the Commissioner in the approved form for a vehicle dealer's licence of a particular category and pays to the Commissioner the prescribed fee therefore shall be granted a licence upon satisfying the Commissioner of certain matters (WA Act, section 15(3)). Conditions made be imposed on a licence (WA Act, section 18A).

Every dealer shall keep or cause to be kept a register in the prescribed form at any authorized premises in respect of which the licence is issued and shall record or cause to be recorded in that register the prescribed particular of very transaction entered into, in the course of dealing at those premises (WA Act, section 25).

Under the WA Act, it is an offence to engage in unlicensed dealing, which includes carrying on a description of business as a dealer otherwise than under and in accordance with a dealer's licence (WA Act, section 30).

Relevantly:

- a 'dealer' generally means a person who carries on any class or description of business of: buying or selling vehicles, or acting as agent for other persons in relation to the buying or selling of vehicles (including a business of selling vehicles by auction), a financier, or a car hire operator; and

- a 'vehicle' means, amongst other things, a vehicle that is prescribed (WA Act, section 5(3)). Caravans are prescribed under regulation 3 of the *Motor Vehicle Dealers (Prescribed Vehicles) Regulations 1974* (WA).

An application for a dealer's licences must specify each of the premises at which the applicant proposes to carry on business under the authority of the licence (WA Act, section 20E(1)).

Queensland

In Queensland, a motor dealers licence is required under the *Motor Dealers and Chattel Auctioneers Act 2014* ("**QLD Act**") to sell used caravans. Under the QLD Act, a person must not carry on the business of a motor dealer unless the person holds a motor dealer licence and the activities performed in the carrying on of business as a motor dealer are authorized under the person's licence (QLD Act, section 119). Relevantly:

- a motor deal licence authorizes the holder of the licence (motor dealer) to perform a number of activities, which include, amongst other things, to acquire, primarily for resale, used motor vehicles, and to sell used motor vehicles (QLD Act, section 76);

- 'Sell' includes agree to sell, advertise or display for sale, attempt to sell, have for sale, negotiate for a sale, and in any way be concerned in selling (QLD Act, schedule 3);

- 'motor vehicle' means, amongst other things, a caravan (QLD Act, section 12); and

- 'used motor vehicle' generally means a motor vehicle that has, at any time, been licensed or registered, whether under a law of Queensland or another State, or a motor vehicle that, had it not been registered for use for demonstration or sales promotion, would have been a new motor vehicle, or a used imported vehicle (QLD Act, schedule 3).

Other states/territories

There is no requirement for the Australian companies to hold a motor vehicle licence to sell caravans in Victoria, Tasmania and South Australia. The reason being:

- in Victoria, licences are required to deal in 'motor cars' under section 7 of the *Motor Car Traders Act 1986* (Vic) ("**VIC Act**"). However, the definition of 'motor car' is the same as the definition of 'motor vehicle' in the *Road Safety Act 1986* (Vic), which means a vehicle that: (a) uses, or is designed to use, volatile spirit, gas oil, electricity or any other power (other than human or animal power) as the principal means of propulsion, or (b) more than one of the powers mentioned (other than human or animal power) as a means of propulsion, but does not include a vehicle used exclusively on a railway or tramway. This definition does not include caravans;

- in Tasmania, motor vehicle trading licences are required to deal in 'motor vehicles' under section 6 of the *Motor Vehicle Traders Act 2011* (TAS) ("**TAS Act**"). However, the definition of a 'motor vehicle' only includes vehicles that are built to be propelled by a motor that forms part of the vehicle (TAS Act, section 3, and *Vehicle and Traffic Act 1999* (TAS), section 3). This definition does not include caravans; and

- in South Australia, licences are only required to deal in second-hand vehicles under the *Second-hand Vehicle Dealers Act 1995* ("**SA Act**"), but no requirements exist in relation to new vehicles. The Australian companies do not sell caravans directly to the public in South Australia — that is, caravans are sold through authorized dealers. Additionally, and of relevance, the definition of 'vehicle' in section 3 of the SA Act applies to vehicles that are designed to be wholly or partly propelled by an engine (which does not include a caravan). Accordingly, the sale of caravans do not require a motor vehicle licence in SA Act and even if a licence was required, the obligation to obtain such a licence falls on the dealer rather than the Australian companies.

Manufacturing and assembly

The Australian companies have manufacturing facilities in two Australian locations in Victoria, which engage in 'pre-assembly' and 'final assembly' of the caravans.

The Australian Design Rules for vehicles mandate certain requirements for motorhomes and caravans, including requirements in relation to doors, gas installations and fire extinguishers (see *Vehicle Standard (Australian Design Rule 44/02 — Specific Purpose Vehicle Requirements*) 2006 (Cth)). Additionally, the Australian Design Rules also mandate that all manufacturers of Australian vehicles must hold a World Manufacturer ID issued by the National Exchange of Vehicle and Driver Information System ("**NEVDIS**") and all vehicles manufactured in Australia must have a vehicle identification number ("**VIN**") (see *Vehicle Standard (Australian Design Rule 61/03 — Vehicle Marking) 2020* (Cth)).

Further, as noted above, all vehicles must be registered on the Register of Approved vehicles. To obtain entry on the register, suppliers must meet the requirements of an 'entry pathway', one of which is the obtaining of a road vehicle type approval. Generally, road vehicle type approval may be granted where the Secretary of the Department of Infrastructure is satisfied that (amongst other things):

- the type of vehicle complies with the applicable national road vehicle standards, as in force at the time the Secretary decide application;
- the person seeking the approval has control over all stages of the design, componentry and manufacturing process for the type of vehicle, or is able to access information, including information about any changes relating to the design, componentry and manufacturing process for the type of vehicle that may affect that type of vehicle's compliance with applicable national road vehicle standards;
- the person is able to ensure that the design, componentry and manufacturing process will consistently product the type of vehicle; and
- the person is able to arrange for the Secretary or an inspector to inspect premises used, or to be used, in the manufacturing process for the purposes of assessing compliance with the applicable national road vehicle standards and any other requirements of the RVS Act, *Road Vehicle Standard Rules 2019* ("**RVS Rules**"), or an instrument made under the RVS Act or the RVS Rules that apply in relation to the person or the type of vehicle.

(RVS Rules, rule 19).

Foreign Investment Regulation

Foreign Acquisitions and Takeovers Act 1975 (Cth)

The foreign investment regime in Australia is primarily governed by the *Foreign Acquisitions and Takeovers Act 1975* (Cth) (referred to as the "**FATA**") and the *Foreign Acquisitions and Takeovers Regulation 2015* ("**FATR**"). The Treasurer of Australia ("**Treasurer**") is responsible for the administration of the FATA, with the assistance and advice of the Foreign Investment Review Board ("**FIRB**"). Australia has a foreign investment approval regime that regulates certain types of acquisitions by 'foreign persons', which in general applies to the acquisition of shares and voting power in a company of 20% or more by a single foreign individual and their associates ("**Substantial Interest**"), or 40% or more by two or more foreign individuals who are not related and their associates ("**Aggregate Substantial Interest**").

Whether FIRB approval is required for an investment depends on the characteristics of the investor (particularly whether the investor is a foreign government investor), the value of the asset of the business and the type of the underlying business (whether they are national security business or not).

Investment in the Australian Companies

Whether FIRB approval is required for a foreign investor to acquire an interest in the Australian companies (directly or indirectly) depends on the characteristics of the investor. It is the responsibility of the investor to determine if they may require FIRB approval before subscribing to Shares under the Global Offering and to satisfy themselves that their investment in the Australian companies complies with the Australian FIRB regime, including obtaining any government consents and approvals from FIRB. An independent legal opinion should be sought by the investor.

For the Australian companies, a 'foreign person' should not be required to obtain a mandatory FIRB approval to subscribe to Shares as part of the Global Offering unless they are a 'foreign government investor' (defined below), who must obtain prior FIRB approval before acquiring the 'Substantial Interest' (for a foreign government entity, alone or together with one or more associates) or the 'Aggregate Substantial Interest' (for foreign governments entities of more than one foreign country, together with any one or more associates). To avoid doubt, when calculating the percentages for the 'foreign government investor', the interests of their associates would need to be aggregated. Under section 6(1)(I) of FATA, the 'associates' for a foreign government investor specifically include any other foreign government investor from the same country (of any part of that country). This means to the extent that there is more than one 'foreign government investor' from the same country and if their aggregated interests exceed 20%, this will trigger a FIRB approval.

Section 17 of FATR defines 'foreign government investor' to include:

- a foreign government or separate government entity; or

- a corporation, the trustee of a trust in which, or the general partner of a limited partnership in which:
  - — a foreign government or separate government entity holds a substantial interest (owns 20% or more); or
  - — foreign governments or separate government entities of more than one foreign country in aggregate own aggregate substantial interests (more than 40% or more).

Under Section 4 of FATA,

- a 'foreign government' means an entity that is
  - — a body politic of a foreign country;
  - — a body politic of part of a foreign country; or
  - — a part of a body politic of a foreign country or a part of a body politic of part of a foreign country;
- a 'separate government entity' means an individual, corporation or corporation sole that is an agency or instrumentality of a foreign country or a part of a foreign country, but not part of the body politic of a foreign country or of a part of a foreign country.

To the extent that a FIRB approval is required, the Treasurer must be notified and the FIRB approval must be obtained before the relevant action can be completed. Offences and civil penalties may apply if the investment subject to the FIRB approval is taken without notice, including the Treasurer declaring the transaction void.

Product Regulation

At a Commonwealth level, the main regulators overseeing the product regulation of vehicles/vehicle related components are the:

- Department of Infrastructure which administers the RVS Act and the RVS Rules (together, the "**RVS legislation**"); and
- Australian Competition and Consumer Commission ("**ACCC**"): the ACCC regulates the Competition and Consumer Act 2010 (Cth) ("**CCA**"), including the Australian Consumer Law ("**ACL**") (contained in Schedule 2 of the CCA).

There is a Memorandum of Understanding between Department of Transport and ACCC dated 17 March 2023 ("**MOU**") which outlines the relationship between the Department of Transport and ACCC. The MOU establishes a framework for cooperation and coordination between the Department of Infrastructure and the ACCC (the "**Agencies**") in relation to the RVS legislation and consumer product safety under Part 3–3 'Safety of consumer goods and product related services' of the ACL.

A key purpose of the MOU is to designate which Agency will take the lead in relation to vehicle-related recalls and other safety issues (the "**Lead Agency**").

The Lead Agency for recalls and other safety issues will be:

- Department of Infrastructure in relation to:
  - — road vehicles (e.g. cars, caravans, commercial vehicles, campers, trailers) where the safety issue arises from:
    - o a part in the road vehicle as first supplied e.g. engine, ignition & transmission system, battery, braking system, lighting & signaling;
    - o an accessory supplied with the road vehicle at first supply e.g. floor mats, jacks supplied with new cars; or
    - o a like-for-like after-market replacement of that part or accessory in the road vehicle; and
  - — approved road vehicle components e.g. approved reverse lamp, bus seat or braking system;
- the ACCC in relation to:
  - — vehicles that are not road vehicles but are consumer products e.g. golf carts, miniature motor bikes, motorized mobility devices, quad bikes;
  - — new and second-hand after-market vehicle parts and accessories that are consumer products (unless a like-for-like replacement in a road vehicle) e.g. generic battery or tires, child car restraint, portable ramp, recovery strap, bike carrier; and
  - — caravans and campers where the part or accessory relates to human occupation, not the vehicle e.g. fridge, stove in caravan.

The Lead Agency's functions include risk identification, risk assessment, risk management including risk communication, voluntary and compulsory recalls and injury reports received.

Product regulation under RVS legislation

Section 37 of the RVS Act requires the Department of Infrastructure to make rules in relation to the recall of approved road vehicle components for safety purposes or for non-compliance with national road vehicle standards.

Broadly speaking, Part 8 of the RVS Rules '*Recalls of road vehicles or approved road vehicle components'* set out the circumstances in which 'road vehicles' or 'approved road vehicle components' may be compulsorily recalled (such as in circumstances where the

Minister considers non-compliance to be of a substantive nature) and the notification requirements for a voluntary recall of 'road vehicles' or 'approved road vehicle components'.

Pursuant to section 211 of the RVS Rules, a person can voluntarily take action to recall road vehicles or approved road vehicle components of a particular kind in the following circumstances:

- the person takes action on the basis that such (vehicle or) components will or may cause injury to any person or a reasonably foreseeable use (including a misuse) of such vehicles or components will or may cause injury to any person;
- the person takes action on the basis that such vehicles do not, or it is likely that they do not, comply with:
  - o the applicable national road vehicle standards,
  - o applicable standards determined by the Minister under subsection 89(2) '*Determination — compliance with standards'*; or
  - o applicable standards made under section 7 '*Meaning a road vehicle component'* of the Motor Vehicle Standards Act 1989; or
- the person takes action on the basis that such components do not, or it is likely that they do not, or it is likely they do not, comply with the applicable national road vehicle standards.

A person must, within 2 days of taking the recall action, give the Minister a written notice that complies with the requirements of section 212(7) of the rules (which sets out the information to be included in the written notice) (RVS Rules, section 212).

Additionally, a person who has 'supplied' or 'supplies' an approved road vehicle component subject to a recall to another person outside of Australia must provide that person with a written notice that complies with the requirements of section 212(7) of the rules to the person outside Australia, and provide the Minister with a copy of that notice within 10 days after giving the notice (RVS Rules, section 212(6)). 'Supply' is defined in the RVS Act as: (a) when used as a verb, includes supply (including re-supply) by way of sale, exchange, lease, hire or hire-purchase; and (b) when used as a noun, has a corresponding meaning; and 'supplied' and 'supplier' have corresponding meanings (RVS Act, section 5).

Notably, if a person has already given notice of voluntary recall under section 128(2) of the ACL in relation to such vehicle or approved road vehicle components, then they are taken to have given notice under the RVS Rules as well (RVS Rules, section 212(8) and 212(9)). However, as a matter of practicality, we note the ACCC's website directs suppliers to the ROVER system if a recall is to be initiated for road vehicles and approved road vehicle components.

The Minister may also issue a compulsory recall notice where it appears that, amongst other things:

- the vehicle, or reasonably foreseeable use (including misuse) of the vehicle, will or may cause injury to any person, and the supplier has not taken satisfactory action to prevent the vehicle from causing injury to any person; or
- the vehicle does not comply with the applicable national road vehicle standards, the non-compliance is of a substantive nature, and the supplier has not taken satisfactory action to rectify he non-compliance.

(RVS Rules, rule 206).

Product regulation under consumer laws

As noted above, the ACL is relevant to certain vehicles and vehicle components.

A person acquires 'goods' as a 'consumer' if and only if:

- the amount paid or payable for the 'goods' did not exceed $100,000;
- the goods were of a kind ordinarily acquired for personal, domestic or household use or consumption; or
- the goods consisted of a vehicle or trailer acquired for use principally in the transport of goods on public roads.

(ACL, section 3(1)).

However, a person is not a 'consumer' if the person acquired the goods, or held himself or herself out as acquiring the goods for the purpose of resupply, or for the purpose of using them up or transforming them, in 'trade or commerce' in the course of a process of production or manufacture (ACL, section 3(2)). 'Trade or commerce' means trade or commerce within Australia or between Australia and places outside Australia.

It should be noted that 'goods' is to be distinguished from 'consumer goods'. Not all 'goods' are 'consumer goods'. 'Goods' includes a broad range of goods, including other vehicles and any component part of, or accessory to, goods (ACL, section 2). In contrast, 'consumer goods' are defined as goods that are intended to be used, or are of a kind likely to be used, for personal, domestic or household use or consumption, and includes any such goods that have become fixtures since the time they were supplied if a recall notice for the goods has been issued, or a person has voluntarily taken action to recall the goods (ACL, section 2). Caravans are ordinarily intended to be used, or are of a kind likely to be used, for person, domestic or household use or consumption. In such cases, caravans are consumer goods, as well as goods.

Under the ACL, manufacturers and suppliers must comply with a number of statutory warranties (known as 'consumer guarantees'). These include (amongst others) guarantees that the caravans are of acceptable quality (i.e. safe, durable and free from defects, acceptable in appearance and finish, and fit for all purposes for which they are commonly used for), match the description provided, and that repairs and spare parts will be made available for a reasonable time after purchase (see ACL, sections 54 to 59). If a person fails to comply with a consumer guarantee, the consumer is entitled to a remedy — either a repair, replacement or refund and compensation to individuals (depending on the circumstances). Additionally, defective good actions may be commenced against a manufacturer.

A 'manufacturer' of 'goods' is liable to compensate an individual if the manufacturer supplies the goods in trade or commerce and the goods have a 'safety defect' and the individual suffers injuries because of the safety defect (ACL, section 138(1)). The individual may recover, by action against the manufacturer, the amount of the loss or damage suffered by the individual (ACL, section 138(2)).

Under the ACL, a 'manufacturer' includes persons who (amongst other things):

- a person who grows, extracts, produces, processes or assembles goods;
- a person who holds himself or herself out to the public as the manufacturer of goods;
- a person who imports goods into Australia if the person is not the manufacturer of the goods and at the time of the importation, the manufacturer of the goods does not have a place of business in Australia.

(ACL, section 7(1)).

Goods have a 'safety defect' if their safety is not such as persons generally are entitled to expect (ACL, section 9(1)). The standard is an objective standard based on what the relevant section of the public, rather than a particular individual, is entitled to expect. Although the test to be applied is objective, it is not the common law 'reasonable person' test. The test is what 'persons generally are entitled to expect'. The test requires the court to look to the class of persons to whom the product is directed or marketed. In determining the extent of the safety of goods, regard is to be given to all relevant circumstances, including:

- the manner in which, and the purposes for which, they have been marketed;
- their packaging;
- the use of any mark in relation to them;
- any instructions for, or warnings with respect to, doing, or refraining from doing, anything with or in relation to them;
- what might reasonably be expected to be done with or in relation to them; and
- the time when they were supplied by their manufacturer.

(ACL, section 9(2)).

A manufacturer is liable to indemnify a supplier who supplies goods to a consumer if the supplier is liable to pay damages under section 259(4) *'Action against suppliers of goods'* to the consumer for loss or damage suffered by the consumer and the manufacturer is or would be liable under section 271 '*Action for damages against manufacturers of goods'* to pay damages to the consumer for the same loss or damage (ACL, section 274(1)).

Additionally, manufacturers and suppliers have obligations under the ACL with product safety reporting obligations. Under the ACL, manufacturers and suppliers must report to the ACCC within 2 days of becoming aware of a death, serious injury, or illness of any person that was caused or may have been caused by the use or foreseeable misuse of the product (ACL, section 131). Where goods have safety defects, the ACCC may require the supplier or manufacturer to conduct a mandatory recall of the product under certain circumstances (ACL, section 122). Alternatively, the supplier or manufacturer may choose to voluntarily recall a consumer good if:

- the consumer goods will or may cause injury to any other person;
- a reasonably foreseeable use (including a misuse) of the consumer goods will or may cause injury to any other person;
- a safety standard for the consumer goods is in force and they do not, or it is likely that they do not, comply with the standard (please see below safety standards); or
- an interim ban, or a permanent ban, on the consumer goods is in force (we have not identified any relevant bans).

(ACL, section 128(1)).

Employment laws

Employment law in Australia is governed primarily by the *Fair Work Act 2009* (Cth) ("**FW Act**") in conjunction with various State based laws which deal with matters such as work health and safety, workers compensation, long service leave, workplace surveillance and discrimination. The FW Act sets out minimum employment standards which are known as the National Employment Standards ("**NES**"). Failure to pay or provide the NES is a contravention of the FW Act which can attract orders for compensation and penalties. The FW Act also governs matters such as workplace bullying, sexual harassment, unfair dismissal, unlawful dismissal and general protection applications.

Many employees in Australia will also be covered under a modern award (award) and some may be covered by an enterprise (or collective) agreement. An award is a document created by the Fair Work Commission (Australia's Federal employment tribunal) which sets out various minimum employment terms that apply as a matter of law. Whether or not an award covers an employee will depend on their position and/or the industry the employer operates in. Enterprise agreements set out the agreed terms and conditions of employment as a result of bargaining between an employer and its employees. They must be approved by the Fair Work Commission. Most employees will also be party to an employment contract. An employment contract must not provide for terms that are less generous than the minimum NES entitlements or an applicable award or enterprise agreement.

Employers must make superannuation contributions (similar to a pension contribution) on behalf of all employees subject to limited exceptions. Superannuation is paid to a complying superannuation fund nominated by the employee or, failing nomination, to the employee's stapled fund. Superannuation is currently calculated at 11% of the employee's ordinary time earnings up to a certain cap and will incrementally increase to 12% by 1 July 2025.

Various regulatory authorities are able to enforce the legislation described above and material penalties can apply for non-compliance.

Workplace health and safety laws

The Australian work health and safety ("**WHS**") law is regulated on a state, territory and Commonwealth level. There are model WHS laws comprised of a model WHS Act, model WHS Regulations and model WHS Codes of Practice, which have been implemented in all Australian states and territories, except for Victoria. However, Victoria has similar duties and responsibilities under its *Occupational Health and Safety Act 2004 (Vic)*. The main objective of the WHS legislation is to provide a framework to secure the health and safety of workers and workplaces, and to define the legal duties and responsibilities of all parties involved.

Key duties relating to health and safety require that a duty holder must be proactive in identifying, eliminating and minimizing risks to health and safety and take all reasonable steps to ensure the health and safety of workers and others in the workplace. There are also other specific laws dealing with particular safety issues, such as record keeping, incident notification, training workers, consulting with workers and other duty holders, hazardous materials, electrical safety and transport safety.

Duty holders are required to meet specific hazard and risk standards outlined in regulations supplementing the WHS legislation. These regulations cover areas such as noise, machinery, and manual handling. They also specify the licenses needed for certain activities, the records companies must keep, and the reports they must submit. For instance, certain high-risk work requires licensing, and certain duty holders must maintain records and information regarding their WHS management and control. There are codes of practice that provide practical guidance for achieving the standards of health and safety required by law. National-level model WHS codes of practice are typically adopted by the various state and territory authorities. In each jurisdiction, there is a WHS or OHS regulator (generally known as WorkCover or WorkSafe). They inspect workplaces, provide advice and help, as well as enforce the law through its inspectorate. Material penalties, including imprisonment, can apply for non-compliance with WHS laws.

Intellectual property

The Australian intellectual property protection landscape consists of both legislation and common law protection. Commonwealth legislation provides for the registration and protection of intellectual property such as trade marks, patents and industrial designs, as well as for the protection of copyright.

Trade marks

Signs used or intended to be used in relation to particular goods and/or services are protectable under the *Trade Marks Act 1995 (Cth)*. Trade marks can be obtained for names, logos, aspects of packaging, shapes, colors, sounds and scents. The *Competition and Consumer Act 2010 (Cth)* also provide protection to trade marks, names, and brands, prohibiting corporations from engaging in misleading or deceptive conduct in trade or commerce.

Patents

Australia's Patents Act 1990 (Cth) ("**Patents Act**") confers upon patent owners the exclusive right to make, use, sell, hire and otherwise exploit a patented invention. In order to qualify for standard patent protection, an invention must be novel, inventive and useful. The Patents Act also recognizes innovation patents, which are intended for less important inventions and have a lower inventive threshold. The innovation patent has a term of eight years and cannot be extended.

Copyright

Copyright is a bundle of rights conferred by the *Copyright Act 1968 (Cth)* on authors and other creators in relation to creative works such as books, computer programs, paintings, photographs, sound recordings, television broadcasts and films. These rights are exclusive to the copyright owner and conferred for a limited time. Copyright protects the expression of ideas and not the ideas themselves or information. Unlike patents, trade marks and designs, there is no need (or capability) to register copyright in Australia as in some overseas jurisdictions. Copyright protection is automatically afforded to a work once it is put into material form (such as by putting it in writing or recording it on video). There is also no requirement to publish the work or place a copyright notice on it.

Designs

Registration of designs under the Designs Act 2003 (Cth) can provide protection against imitation of product design features including shape, configuration, pattern. To register a design in Australia, it must be visually distinctive in its appearance, including shape, configuration, pattern and ornamentation. This means that the design should not have been used or published in Australia or elsewhere before the application date. Once approved, the design can be registered for a period of five years, which is extendable for an additional five years. Designers who apply for international registration six months before their Australian application date are eligible for convention priority.

Data Protection

The *Privacy Act 1988* (Cth) ("**Privacy Act**") and Australian Privacy Principles ("**APPs**") apply to APP entities. An APP entity includes 'organizations', which means businesses that have an annual turnover for the previous financial year AU$3 million or more.

The Privacy Act is the principal piece of Australian legislation protecting the handling of personal information about individuals. This includes the collection, use, storage and disclosure of personal information of Australian individuals.

There are 13 APPs and they govern standards, rights and obligations around:

- the collection, use and disclosure of personal information;
- an organization or agency's governance and accountability;
- integrity and correction of personal information;
- the rights of individuals to access their personal information.

It is a requirement for an APP entity to have a privacy policy. APP 1.4 contains a non-exhaustive list of information that an APP entity must include in its APP Privacy Policy:

- the kinds of personal information collected and held by the entity (APP 1.4(a));
- how personal information is collected and held (APP 1.4(b));
- the purposes for which personal information is collected, held, used and disclosed (APP 1.4(c));
- how an individual may access their personal information and seek its correction (APP 1.4(d));
- how an individual may complain if the entity breaches the APPs or any registered binding APP code, and how the complaint will be handled (APP 1.4(e)); and
- whether the entity is likely to disclose personal information to overseas recipients (APP 1.4(f)), and if so, the countries in which such recipients are likely to be located if it is practicable to specify those countries in the policy (APP 1.4(g)).

Each state and territory have its own separate privacy legislation which is largely consistent with the Privacy Act requirements.

Leases and Tenancies in Australia

Lease terms and conditions in Australia are subject to market standards and practice, and there are also terms implied by legislation and common law. In particular, there is a large body of retail tenancy legislation that has been developed to protect retail tenants, especially smaller specialty tenants. Generally, the parties cannot contract out these provisions.

The leasing practice differs in the various States and Territories in relation to registration. Generally speaking, short-term leases to tenants in possession do not need to be registered to grant an indefeasible leasehold title. In all jurisdictions except Victoria and South Australia (where it is one year or less), a short-term lease means a lease of three years or less.

In all jurisdictions (except Victoria), registration of a lease (other than a short-term lease) is required to obtain indefeasible leasehold title and to preserve certain contractual provisions such as rights to renew (and to ensure they are enforceable against successors in title). The exception is Victoria where a lease to a tenant who is in possession grants an indefeasible leasehold title regardless of the term. As a result, leases are rarely registered in Victoria.

Generally, leases are not subject to stamp duty in New South Wales, Victoria, Queensland and Western Australia.

Transfer Pricing

According to (i) the Australian Income Tax Assessment Act, (ii) the related enterprise clause in the Comprehensive Avoidance of Double Taxation Agreement, and (iii) the transfer pricing regulations and rules issued by the Australian Taxation Office (ATO), for business transactions between affiliated enterprises, the receipt or payment of prices and fees arising from such transactions shall adhere to the arm's length principle. Where the receipt or payment of prices and fees deviate from the arm's length principle leading to a decrease in taxable income, the tax authorities reserve the right to make reasonable adjustments.

Under the Australian Income Tax Act, enterprises engaging in related-party transactions and meeting corresponding conditions shall prepare their contemporaneous documentation for each tax year and make submission to the tax authority if requested. Contemporaneous documentation includes country reports, master files, local files and contemporaneous material reports.

The ATO has the authority to initiate investigations related to diverted profits tax within seven years of evaluating the income tax declaration of Australian enterprises. Australian enterprises are obligated to pay the full amount of diverted profits tax before making relevant defenses or reaching a settlement with the ATO.

The ATO may impose penalties on taxpayers in accordance with transfer pricing penalty clauses and general tax penalty clauses, with the penalty amount determined by the ATO as the underpaid tax.

Taxation

The following categories of tax are applicable to the Australian companies:

Corporate income tax

The Australian income tax is assessed in accordance with the *Income Tax Assessment Act 1936 (Cth)*, the *Income Tax Assessment Act 1997 (Cth)* and the *Taxation Administration Act 1953 (Cth)* (together the "**Tax Acts**"). An Australian tax-resident company is liable to pay Australian tax on income and capital gains derived from all sources, either within or outside Australia. A foreign tax resident company is subject to Australian income tax only on Australian sourced income. However, where a company is resident in a country with which Australia has concluded a double taxation agreement (DTA), Australia's right to tax business profits is generally limited to profits attributable to a permanent establishment (PE) in Australia.

The Australian Company Tax Rate (the "**CTR**") is currently 30% (2022–2023) on their taxable income for the current financial year, except for 'small or medium business' companies, which are subject to a reduced tax rate of 25%. In the 2023–24 Budget, the Australian Government announced it would introduce a 15 per cent global minimum tax and domestic minimum tax for multinational companies with annual global revenue of at least EUR750 million (approximately A$1.2 billion). The core rules commence from January 1, 2024. The proposed changes have not been legislated by the Commonwealth Parliament and therefore not yet law. Income of non-resident companies from Australian sources is similarly taxable at the company tax rate if it is not subject to any withholding tax or treaty protection. However, a company that is tax resident of a country that has a double tax agreement with Australia, not operating in Australia through a permanent establishment is generally subject to tax only on Australian sourced passive income, such as rent, interest, royalties and dividends.

Companies incorporated in Australia are generally residents of Australia for income tax purposes. If a company is carrying on business in Australia with either their central management and control in Australia or their voting power controlled by Australian residents, the company can be considered as Australian resident for tax purposes.

Capital gains tax

Australian tax law distinguishes income (revenue) gains and losses from capital gains and losses, using principles from case law. Broadly, items which are solely capital gains and losses are not assessable or deductible under the ordinary income tax rules. However, the capital gains tax (the "**CGT**") provisions in the tax law may apply. For companies, capital gains are taxed at the relevant CTR. The CGT provisions apply to gains and losses from designated CGT events. The list of designated CGT events includes disposal of assets, grants of options and leases, and events arising from the tax consolidation rules. Capital gains are calculated by identifying the capital proceeds (money received or receivable or the market value of property received or receivable) with respect to the CGT event and deducting the cost base. CGT gains are reduced by amounts that are otherwise assessable. Capital losses are deductible only from taxable capital gains. Capital losses are not deductible from ordinary income. However, ordinary or trading losses are deductible from net taxable capital gains.

Goods and services tax

GST is a broad-based tax of 10% on most goods, services and other items sold or consumed in Australia. Certain goods and services are not subject to GST, being either GST free or input taxed. Generally, businesses and other organizations registered for GST will:

- include GST in the price they charge for their goods and services; and
- generally, claim credits for the GST included in the price of goods and services they acquire for their business, except to the extent that the acquisitions relate to the making of input taxed supplies.

Stamp duty

Stamp duty is a tax on written documents and on certain transactions. It is imposed by Australian state and territory governments and the rates vary depending on the state or territory. The main transaction that may be subject to stamp duty is the transfer of property (such as real estate and business assets). The rate of stamp duty varies according to the type and value of the transaction involved. Depending on the nature of the transaction, certain concessions and exemptions may be available.

Fringe benefits tax

Fringe benefits tax (the "**FBT**") is a tax paid on certain benefits provided by employers to their employees or employees' associates in addition to, or in place of, salary and wages. Benefits can be provided by an employer, associate of the employer, or by third party under an arrangement with the employer. An employee can be a current, future or former employee. Fringe benefits include rights, privileges or services. Some benefits, such as computers and mobile phones that are primarily used for work, are exempt from FBT.

Payroll tax

Payroll tax is levied on a state basis. However, the total wages paid Australia-wide is included when calculating the payroll tax threshold. Each Australian State and Territory has its own payroll tax rate and threshold. Payroll tax is imposed on an employer's taxable wages to the extent that the wages making up that payroll are paid or payable:

- for or in relation to services performed by an employee in the respective state or territory,
- for or in relation to services by an employee in two or more Australian state or territory, or
- by an employer for or in relation to services performed by an employee and are paid or payable in the respective state or territory.

OVERVIEW

We are a recreational vehicle enterprise with an extensive presence in Australasia that designs, develops, manufactures and sells bespoke towable RVs, commanding the second-largest market share in Australasia's RV industry in terms of both revenue and sales volume in 2023, according to Frost & Sullivan. With a product line that caters to a variety of customer needs, we operate under three characteristic brands, namely: (1) our mid-end brand, Snowy River, (2) our luxury brand, Regent, and (3) our semi-off-road brand, NEWGEN. According to Frost & Sullivan, in 2023, we achieved the second-largest market share in Australasia's RV industry in terms of sales volume.

Since our inception, we envisioned entering the Australasian market, which was the third largest market for RV products in 2014 according to Frost & Sullivan. Australasia's RV market is dominated by towable RVs, where in 2023, more than 90% of newly registered RVs in the region were towable RVs. Also, it is in closer proximity to China to leverage our production capabilities (in comparison to the other two largest RV markets being North America and Europe). In 2014, we identified and through the establishment of Regent Company, acquired Regent, a well-established RV brand with over 30 years of heritage, to officially tap into the Australian market. Around the same time, we started the manufacturing and assembly of towable RVs through Daide Longtree for eventual sales to our dealers in Australia. In May 2020, we commenced dealership arrangement with our first third-party dealer store in New Zealand, expanding our distribution network in the jurisdiction. Over the years and with the growth of our operation, as of June 30, 2024, we had built a dynamic sales and distribution network consisting of 13 third-party dealer stores, two self-owned stores alongside online official websites, and four JV stores with our JV partners in Australasia. For further details of our sales and distribution strategies, see "Business — Sales and Distribution."

In 2022 and in preparation for the Listing, our Company was incorporated as the holding company of our Group. To normalize our Group structure to reflect the business that we had been focused on since our inception, we underwent the Reorganization which was completed in May 2024. See "— Reorganization" for further details of the steps involved in the Reorganization.

KEY MILESTONES

The following table sets forth the major corporate milestones and achievements in the business development of our Group:

Year	Milestones
2014	We established Regent Company and acquired the brand, Regent, in September, and began to export our towable RVs to Australia in the same month.
	Daide Longtree commenced the business of manufacturing and assembly of towable RVs.

Year	Milestones
2015	We launched Snowy River, an RV brand, in Australia in November.
2019	Together with our JV partner, Green RV, we launched NEWGEN, our semi-off-road caravan brand.
	Our SRC21 model won Caravan World's Best Aussie Van Award in November.
2020	We established our first JV store under our then joint venture, Leisure Lion, in Australia to expand our sales and distribution network in May.
	We expanded our dealership network to New Zealand and established our first third-party dealer store in New Zealand in May.
2021	The number of RVs we delivered during the year exceeded 1,000.
2022	Our Company was incorporated in May.
	We commenced operations of our first self-owned store in Australia.
	The number of RVs we delivered during the year exceeded 2,000.
2023	We achieved the second-largest market share in Australasia's RV industry in terms of sales volume in that year.
2024	We completed the Reorganization in May.

OUR KEY OPERATING ENTITIES

During the Track Record Period, the following entities made a material contribution to our results of operation and financial position:

Name of entity	Place of establishment	Date of establishment	Shareholding	Principal business activities of our Group under such entity
Regent Company	Australia	September 2, 2014	100%	Sales of towable RVs
Snowy River RV Company	Australia	December 23, 2015	100%	Sales of towable RVs
Leisure Lion(1)	Australia	July 11, 2019	51%	Sales of towable RVs
Daide Longtree(2)	PRC	February 19, 2014	N/A(3)	Manufacturing, assembly and exporting of towable RVs

Notes:

(1) Leisure Lion has become our subsidiary after Regent Company's shareholding interest in Leisure Lion increased to 51% on September 13, 2023. For details of the acquisition, see "— Corporate Development — Subsidiaries of Regent Company."

(2) During the Track Record Period, Daide Longtree was one of the major operating entities of our Group's business. As part of the Reorganization, all assets and properties in respect of the business of manufacturing, assembly and export of towable RVs of Daide Longtree have been acquired by Xing Longtree to centralize and integrate the management for such business. After such transfer, Daide Longtree continued to serve as the holding company for a number of entities within the GONOW Group. See "— Reorganization — Business acquisition from Daide Longtree" for further details.

(3) During the Track Record Period and as of the Latest Practicable Date, Daide Longtree had been a wholly-owned subsidiary of Zhejiang Gonow.

CORPORATE DEVELOPMENT

The following sets forth the major corporate history and shareholding changes of our Group:

Historical operation under Daide Longtree

Historically, our business in the PRC was primarily operated under Daide Longtree.

Daide Longtree was established on February 19, 2014 as a limited liability company in the PRC. Daide Longtree had been a subsidiary of Zhejiang Gonow, the holding company of the GONOW Group since its incorporation. For details of the GONOW Group, see "Relationship with our Controlling Shareholders — Our Relationship with the GONOW Group."

Establishment of Regent Company

To realize our vision to expand into the Australasian market, and having considered the Regent brand's renowned reputation and its established footprint in the Australian RV market, we have incorporated Regent Company on September 2, 2014 for the purpose of acquiring the assets and business associated with the Regent brand. On September 22, 2014, Regent Company entered into a deed for sale of business (the "**Deed**") with Caravans Australia Pty Ltd ("**Caravans Australia**"), an independent third party, to acquire Caravans Australia's business in design and manufacturing of luxury RVs which were carried under the Regent brand.

Pursuant to the Deed, Regent Company purchased from Caravans Australia, among others, (i) all assets, benefits of all business contracts, and also a RV brand, Regent, (ii) the remaining reserves (such as raw materials, semi-finished products and RVs) and (iii) the assignment rights of Caravan Australia's trademarks, including trademarks relating to Regent. The consideration of the transaction was in aggregate A$375,000 (equivalent to RMB1,695,188), which was determined based on arm's length negotiations between the parties. The acquisition was completed on September 22, 2014.

Since its establishment and prior to the Reorganization, Regent Company had been a wholly-owned subsidiary of Flourishing. During the Track Record Period, Regent Company primarily engaged in the sales of towable RVs.

Subsidiaries of Regent Company

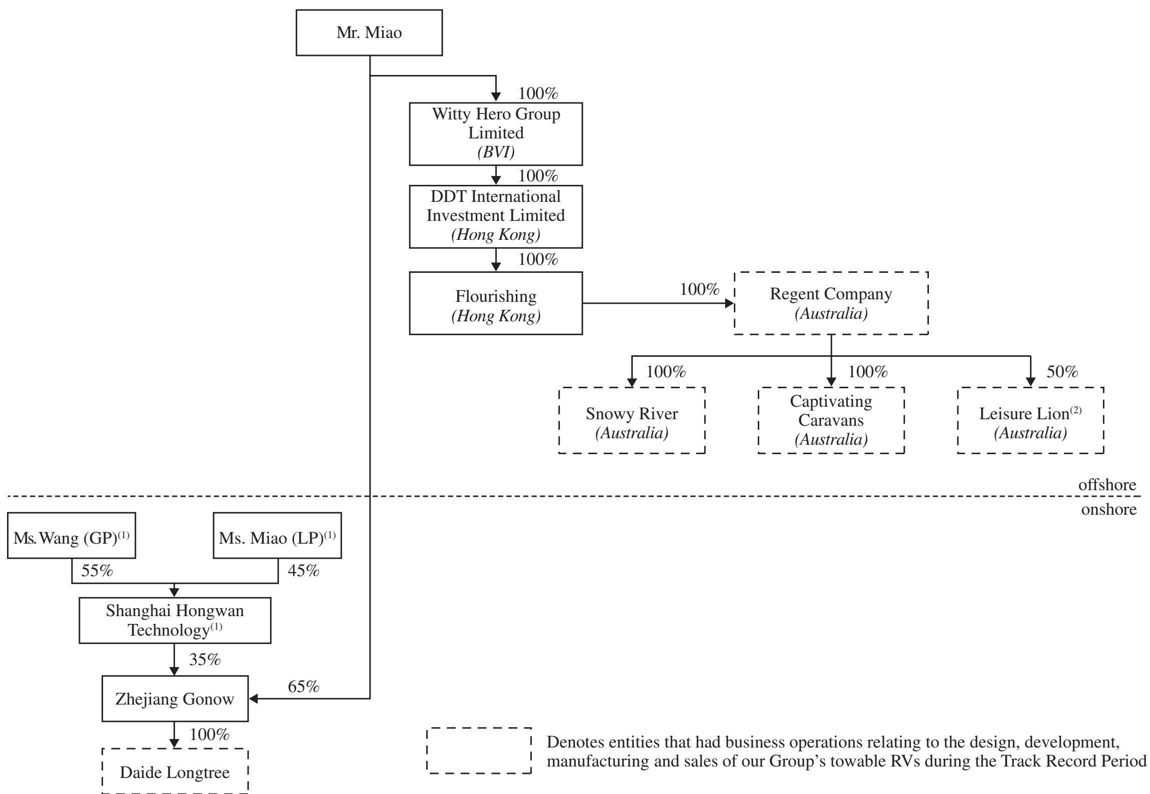
Over the years since 2018, Regent Company has established four entities in Australia, namely Snowy River RV Company, Leisure Lion, United RV and Captivating Caravans. Among such entities and during the Track Record Period, Snowy River RV Company, Leisure Lion and United RV primarily engaged in the sales of our RV brands. As of the Latest Practicable Date, Captivating Caravans has not engaged in operational business activities yet.

Leisure Lion was established on July 11, 2019, with its shareholding interests held as to 50% by Regent Company and 50% by Green RV, an established RV dealer based in Australia, respectively. In 2023, pursuant to an agreement dated September 13, 2023 entered into between Regent Company and Green RV, the shareholding interest of Regent Company in Leisure Lion increased to 51% after a capital injection of A$15,000 (equivalent to RMB67,807.5), which was determined based on arm's length negotiations between the parties. As a result, Leisure Lion became a direct subsidiary of Regent Company. United RV was established on June 6, 2023, with its shareholding interests held as to 51% by Regent Company and 49% by BUYIT RV PTY LTD, a holding company established by two independent third parties who decided to tap into the RV industry in Australasia as one of their business ventures at that time. Save for their capacities as our JV partners, each of Green RV and BUYIT RV PTY LTD is an independent third party of our Group. Save for Leisure Lion, each of Snowy River RV Company, United RV and Captivating Caravans has been a subsidiary of Regent Company since its incorporation.

None of the applicable percentage ratios as defined under the Listing Rules in respect of the acquisition of 1% shareholding interest in Leisure Lion by Regent Company exceed 25%. Accordingly, the relevant pre-acquisition financial information of Leisure Lion is not required to be disclosed pursuant to Rule 4.05A of the Listing Rules.

The following chart sets forth the simplified shareholding structure and key subsidiaries of our Group immediately prior to the Reorganization:

SIMPLIFIED SHAREHOLDING STRUCTURE OF THE GONOW GROUP AND SUBSIDIARIES OF OUR GROUP IMMEDIATELY PRIOR TO THE REORGANIZATION



Notes:

(1) Ms. Wang is the spouse of Mr. Miao and Ms. Miao is the daughter of Mr. Miao and Ms. Wang, and they are our group of Controlling Shareholders. As of the Latest Practicable Date, Shanghai Hongwan Technology is owned by Ms. Wang and Ms. Miao as to 55% and 45%, respectively, through their interests held in Shanghai Hongwan Technology. Ms. Wang is the general partner of Shanghai Hongwan Technology whereas Ms. Miao is a limited partner.

(2) Prior to the Reorganization which commenced in May 2022, Leisure Lion was held as to 50% by Regent Company and 50% by Green RV, which is in turn held by Mr. Carl Green and Mr. Jack Green, as to 50% and 50%, respectively. Mr. Carl Green is also a director of Leisure Lion and Mr. Jack Green is Mr. Carl Green's son. Leisure Lion subsequently became our subsidiary after Regent Company's shareholding interest in Leisure Lion increased to 51% on September 13, 2023. For details of Leisure Lion and the acquisition, see "— Corporate Development — Subsidiaries of Regent Company."

REORGANIZATION

In anticipation of our Listing, we underwent the Reorganization as described below pursuant to which our Company became the holding company and the listing vehicle of our business.

The Reorganization involved the following steps:

Setting up of offshore structure

Establishment of our Company

Our Company was incorporated as an exempted company with limited liability in the Cayman Islands on May 17, 2022, to become the holding company of our Group. The authorized share capital of our Company was US$50,000.00, which was initially divided into 500,000,000 Shares with a par value of US$0.0001 each on the date of incorporation.

Establishment of BVI shareholding entities of our Controlling Shareholders

Snowy Limited was incorporated in the BVI on May 13, 2022 as a wholly owned subsidiary of M.X.Z Holdings. M.X.Z Holdings was incorporated in the BVI on May 12, 2022, by our founder, Mr. Miao.

Establishment of intermediate shareholding entities

New Gonow BVI was incorporated in the BVI on May 24, 2022 as a wholly-owned subsidiary of our Company. New Gonow HK was incorporated in Hong Kong as a limited liability company on November 23, 2023 with an issued share capital of HK$10,000 and is wholly owned by New Gonow BVI. New Gonow HK was established as an intermediate holding company for our operations in the PRC.

LONGTREE RV was incorporated in the BVI on November 13, 2023 as a wholly-owned subsidiary of our Company. LONGTREE RV was established as an intermediate holding company for our operating entities in Australia.

Acquisition of Regent Company and its subsidiaries

LONGTREE RV acquired the entire shareholding interests in Regent Company from Flourishing, a company indirectly wholly-owned by Mr. Miao, pursuant to an equity transfer agreement entered into between LONGTREE RV and Flourishing on May 7, 2024 at a consideration of A$1 million (equivalent to RMB4.5 million). The consideration was determined based on arm's length negotiation between the parties at the time of the transfer. The consideration of the acquisition was fully settled by a promissory note issued by Flourishing, granting an advance amount equivalent to the consideration of the acquisition in favor of LONGTREE RV on the same day. Such advance amount was subsequently fully waived by Flourishing on May 27, 2024. Upon completion of the acquisition, Regent Company became a direct wholly-owned subsidiary of LONGTREE RV.

Setting up our onshore structure

Establishment of Xing Longtree

To normalize our listing structure in order to reflect and focus on the operation of the business of our Group, Xing Longtree was established in the PRC as a wholly-foreign owned enterprise on January 15, 2024 with a registered capital of RMB100 million, which was entirely subscribed by New Gonow HK. Upon its incorporation, Xing Longtree became a wholly-owned subsidiary of New Gonow HK.

Business acquisition from Daide Longtree

On March 13, 2024, to centralize and integrate the management for our business of designing, developing, manufacturing and exportation of bespoke towable RVs, Xing Longtree and Daide Longtree entered into an asset purchase agreement, whereby Xing Longtree acquired from Daide Longtree all of its assets and properties in respect of the business of manufacturing, assembly and export of towable RVs, and assumed all of the liabilities and obligations therein. After the completion of the acquisition on April 30, 2024, Daide Longtree continued to serve as the holding company for a number of entities within the GONOW Group. The consideration of the acquisition amounted to RMB52,829,000, which was determined with reference to the valuation of net assets held by Daide Longtree as of November 30, 2023, according to a valuation report prepared by a professional valuer. Daide Longtree had not received administrative penalties due to any violation of PRC laws or regulations, nor had it been involved in any litigation, arbitration or other legal proceedings that had a material adverse effect during the Track Record Period.

As confirmed by our PRC Legal Advisor and Australian Legal Advisor, each of the foregoing acquisitions were properly and legally completed and settled.

COMPLIANCE WITH PRC AND AUSTRALIAN LAWS AND REGULATIONS

Our PRC Legal Advisor and Australian Legal Advisor confirmed that all necessary filings and regulatory approvals in respect of the Reorganization had been obtained and were valid as of the Latest Practicable Date or made in accordance with relevant PRC and Australian laws and regulations in all material aspects regarding our Reorganization steps conducted in the PRC and Australia.

PRE-IPO SHARE OPTION SCHEME

On May 14, 2024, our Company resolved to issue and allot 826,500 Shares, representing 0.83% of the issued share capital to the Company as of the Latest Practicable Date, to NRV Benefit Limited, which held Shares underlying the options granted to the qualified personnel pursuant to the Pre-IPO Share Option Scheme.

The Pre-IPO Share Option Scheme was adopted by our Company by way of resolutions of the Board on May 24, 2024, for the purpose of attracting and retaining highly qualified personnel who will contribute to the Company's success, and providing incentives to such personnel that are linked directly to increase in shareholder value.

As of the Latest Practicable date, all 826,500 options associated with 826,500 Shares were granted to eight Directors, senior management and other employees of the Group under the Pre-IPO Share Option Scheme. No further options may be granted under the Pre-IPO Share Option Scheme after the Listing. While the NRV Benefit Limited is the legal registered holder of the relevant Shares, it shall abstain from exercising the voting rights attached to such Shares pursuant to the relevant trust deed. Hence, the voting rights attached to the Shares held by NRV Benefit Limited will not be exercised until the relevant options associated with such Shares are vested and exercised by the relevant grantees. As of the Latest Practicable Date, no option had been vested. See "Appendix IV — Statutory and General Information — D. Pre-IPO Share Option Scheme" in this Prospectus for further details.

THE CAPITALIZATION ISSUE

Subject to the share premium account of our Company being credited as a result of the issue of the Offer Shares pursuant to the Global Offering, our Company will, on the Listing Date, allot and issue a total of 620,000,000 Shares credited as fully paid at par to the holders of Shares whose names appear on the register of members of our Company on the day preceding the Listing Date in proportion to their then existing shareholdings in our Company by capitalizing the relevant sum from the share premium account of our Company. The Shares allotted and issued pursuant to the Capitalization Issue will rank *pari passu* in all respects with the existing issued Shares.

PUBLIC FLOAT

Upon completion of the Capitalization Issue and the Global Offering (assuming the Over-allotment Option is not exercised), the Shares held by Snowy Limited and NRV Benefit Limited will not be counted towards the public float of our Company. Save as disclosed above, to the best of our Directors' knowledge, information and belief, all other Shareholders of our Company are not core connected persons of our Company. Therefore, 25% of our issued Shares (upon completion of the Global Offering and assuming the Over-allotment Option is not exercised) will be counted towards the public float of our Company according to Rule 8.08(1) of the Listing Rules.

PRC REGULATORY REQUIREMENTS

M&A Rules

According to the Regulations on Merger with and Acquisition of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》) (the "**M&A Rules")** jointly promulgated by the MOFCOM, the State-owned Assets Supervision and Administration Commission of the State Council, the SAT, the CSRC, the SAIC and the SAFE on August 8, 2006, effective as of September 8, 2006 and amended on June 22, 2009, a foreign investor is required to obtain necessary approvals when it (1) acquires the equity of a domestic enterprise so as to convert the domestic enterprise into a foreign-invested enterprise; (2) subscribes the increased capital of a domestic enterprise so as to convert the domestic enterprise into a foreign-invested enterprise; (3) establishes a foreign-invested enterprise through which it purchases the assets of a domestic enterprise and operates these assets; or (4) purchases the assets of a domestic enterprise, and then invests such assets to establish a foreign- invested enterprise. The M&A Rules stipulate that an offshore special vehicle, or a special purpose vehicle, formed for listing purposes and controlled directly or indirectly by PRC companies or individuals, shall obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle's securities on an overseas stock exchange, especially in the event that the special purpose vehicle acquires shares or equity interest in the PRC companies in exchange for the shares of offshore companies.

Our PRC Legal Advisor is of the opinion that prior CSRC approval for this offering and Reorganization is not required under the M&A Rules because our wholly foreign-owned PRC subsidiary was not established through a merger or acquisition of equity interest or assets of a PRC domestic company owned by PRC companies or individuals as defined under the M&A Rules that are the beneficial owners of our Company. However, our PRC Legal Advisor further advises that there is uncertainty as to how the M&A Rules will be interpreted or implemented.

SAFE Circular 37

Pursuant to the Circular of the SAFE on Concerning Relevant Issues on the Foreign Exchange Administration of Offshore Investing and Financing and Round-Trip Investing by Domestic Residents through Special Purpose Vehicles (《國家外匯管理局關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》) (the "**SAFE Circular No. 37**"), promulgated by SAFE and which became effective on July 4, 2014, and which replaced the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents' Corporate Financing and Round-trip Investment Through Offshore Special Purpose Vehicles (《關於境內居民通過境外特殊目的公司融資及返程投資外匯管理有關問題的通知》), (a) a PRC resident must register with the local SAFE branch before he or she contributes assets or equity interests to an overseas special purpose vehicle (the "**Overseas**

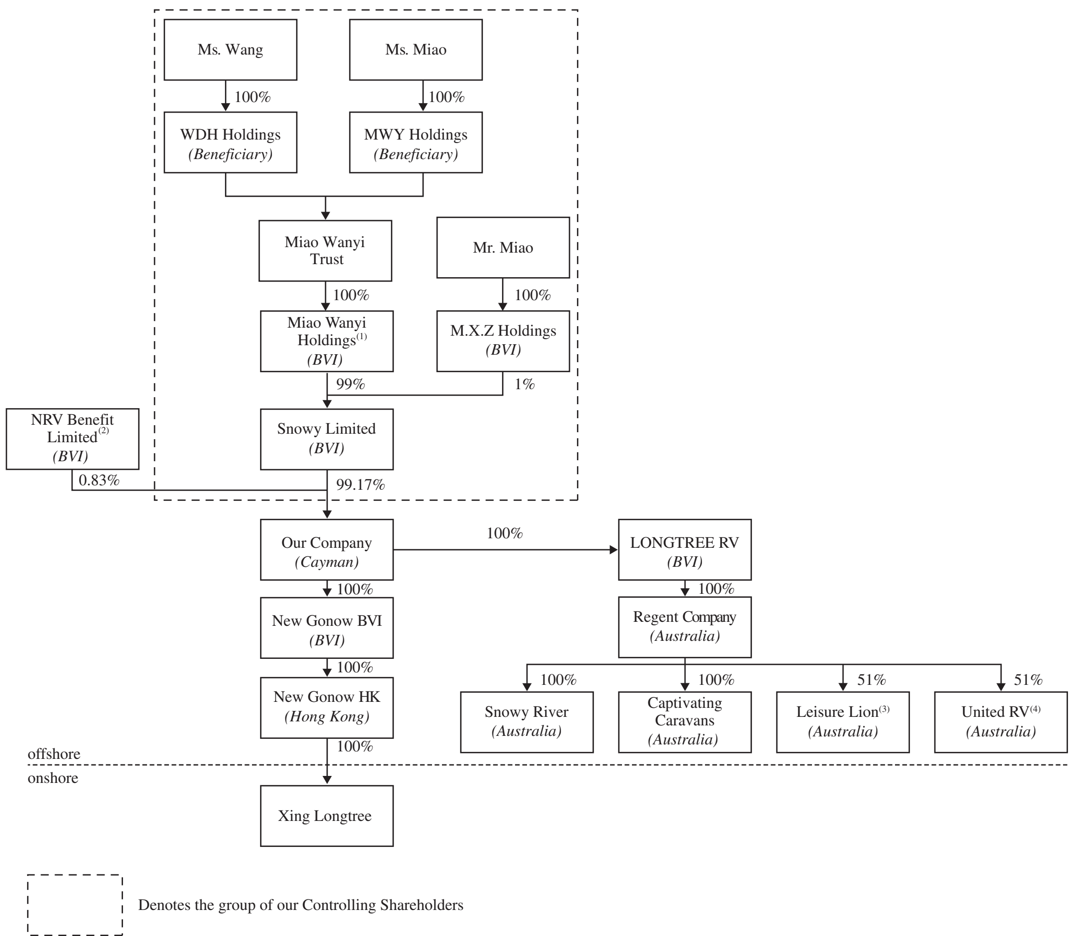
SPV") that is directly established or indirectly controlled by the PRC resident for the purpose of conducting investment or financing, and (b) following the initial registration, the PRC resident is also required to register with the local SAFE branch for any major change, in respect of the Overseas SPV, including, among other things, a change of Overseas SPV's PRC resident shareholder(s), the name of the Overseas SPV, terms of operation, or any increase or reduction of the Overseas SPV's capital, share transfer or swap, and merger or division. In the event that a PRC shareholder holding interests in a special purpose vehicle fails to fulfill the required SAFE registration, the PRC subsidiary of that special purpose vehicle may be restricted from making profit distributions to the offshore parent and from carrying out subsequent cross-border foreign exchange activities, and the special purpose vehicle may be restricted in its ability to contribute additional capital into its PRC subsidiary. Furthermore, failure to comply with the various SAFE registration requirements described above could result in liability under PRC law for evasion of foreign exchange controls.

Pursuant to the Notice of the SAFE on Simplifying and Improving the Foreign Currency Management Policy on Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) (the "**SAFE Circular No. 13**"), promulgated by SAFE and which became effective on June 1, 2015, the power to accept SAFE registration was delegated from local SAFE branch to local banks where the assets or interests in the domestic entity are located.

As of the Latest Practicable Date and as advised by our PRC Legal Advisor, Mr. Miao, Ms. Wang and Ms. Miao, each being a PRC resident, had respectively completed their initial foreign exchange registration of overseas investments as required under the SAFE Circular No. 13 and the SAFE Circular No. 37.

OUR STRUCTURE UPON COMPLETION OF THE REORGANIZATION AND IMMEDIATELY PRIOR TO THE CAPITALIZATION ISSUE AND THE GLOBAL OFFERING

The following chart sets forth the simplified corporate and shareholding structure of our Group as of the Latest Practicable Date:



Notes:

(1) Miao Wanyi Holdings is a company incorporated in the BVI and is held as to 100% by Miao Wanyi Trust, which was established by Mr. Miao as the settlor, who is entitled to exercise the voting rights attached to the Shares held by Miao Wanyi Holdings pursuant to the relevant trust deed. Dedao Trust Limited is the trustee of the Miao Wanyi Trust, and WDH Holdings and MWY Holdings are the beneficiaries of the Miao Wanyi Trust.

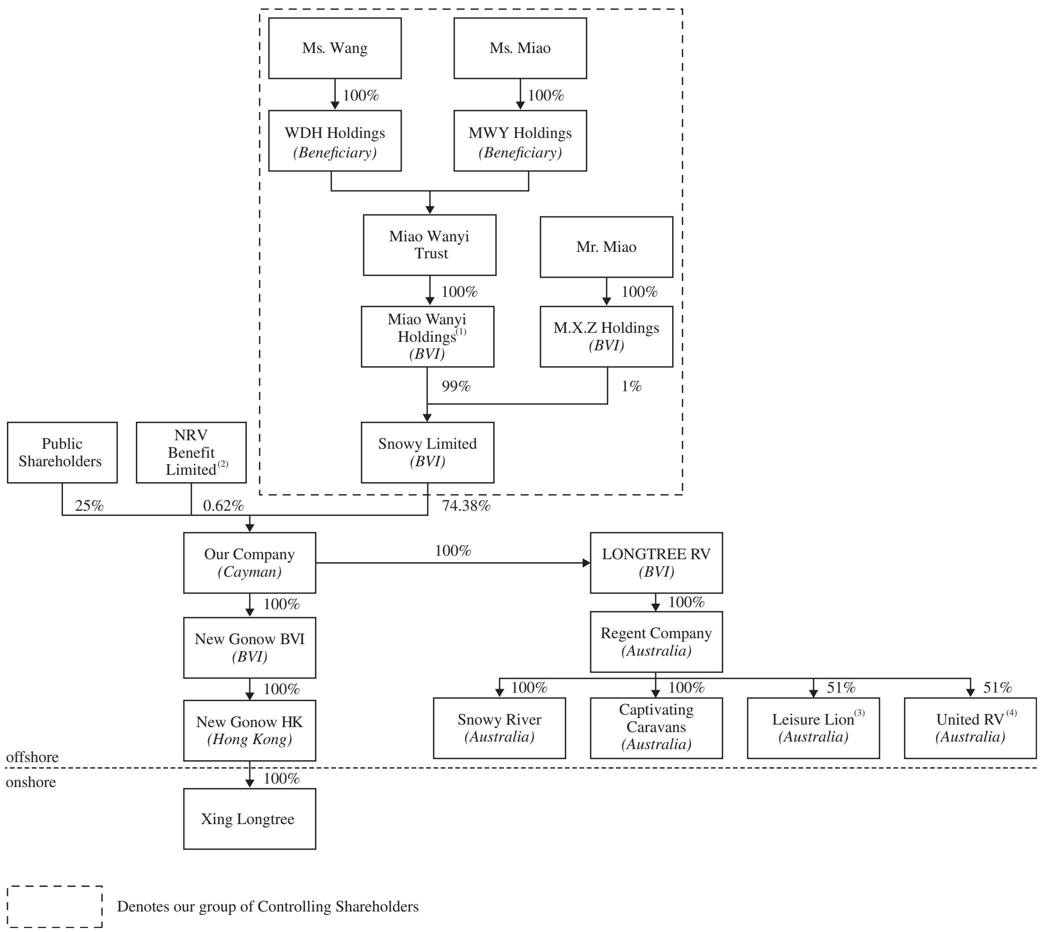
(2) NRV Benefit Limited is our employee shareholding platform. For details of our Pre-IPO Share Option Plan, see "Appendix IV — Statutory and General Information — D. Pre-IPO Share Option Scheme."

(3) See note (2) of "— Simplified Shareholding Structure of the GONOW Group and Subsidiaries of our Group immediately prior to the Reorganization."

(4) See "— Corporate Development — Subsidiaries of Regent Company."

OUR STRUCTURE IMMEDIATELY FOLLOWING THE CAPITALIZATION ISSUE AND THE GLOBAL OFFERING (ASSUMING OVER-ALLOTMENT OPTION IS NOT EXERCISED)

The following chart sets forth the simplified corporate and shareholding structure of our Group immediately following the completion of the Capitalization Issue and the Global Offering, assuming the Over-allotment Option is not exercised.



Note: See "— Our Structure upon Completion of the Reorganization and Immediately Prior to the Capitalization Issue and the Global Offering" for notes (1) to (4).

OVERVIEW

We are a recreational vehicle enterprise with an extensive presence in Australasia that designs, develops, manufactures and sells bespoke towable RVs, commanding the second-largest market share in Australasia's RV industry in terms of both revenue and sales volume in 2023, according to Frost & Sullivan. With our 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 emphasis on comfortability, safety and functionality, creating mobile homes that can address RV owners' needs for both extra physical and mental space. 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, 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 owners.

- ***Product research and development***. We have been continuously rejuvenizing and broadening our collection 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. During the Track Record Period, we developed and launched nine new models under Regent, six new models under Snowy River, upgraded 21 models under Snowy River, and developed and launched five new models under NEWGEN. In addition, 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. We are among the first batch of RV experts that bring ERV options to commercialization, according to Frost & Sullivan.

- ***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 June 30, 2024, we had built a robust sales and distribution network consisting of 13 third-party dealer stores, two self-owned stores alongside online official websites, 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. Notably, our market share in Queensland's vibrant RV market surpassed our performance in the broader Australian RV market in terms of sales volumes in 2023, according to Frost & Sullivan. Additionally, we actively engage in targeted marketing through online promotions and offline events to further enhance our brand recognition and acquire customers.

Owing to our end-to-end management capabilities from RV conceptualization to manufacturing and eventual sales and distribution, we have become a RV precursor, ranking second among Australasia's standard caravans in terms of sales volumes in 2023. Leveraging our demonstrated proficiency in the RV industry value chain and our solid and growing customer base in Australasia, we have achieved robust sales growth over the Track Record Period. In 2021, 2022 and 2023 and for the six months ended June 30, 2024, we delivered an aggregate of 1,330, 2,127, 2,694 and 1,427 RVs to our customers, respectively, representing an increase of 59.9% from 2021 to 2022 and 26.7% from 2022 to 2023.

Our revenues continued to soar during the Track Record Period. We achieved revenues of RMB299.7 million in 2021, RMB498.8 million in 2022, and RMB720.3 million in 2023, with corresponding gross profit margins of 16.7%, 16.5% and 25.1% for those years. Our revenues were RMB422.0 million for the six months ended June 30, 2024, with corresponding gross profit margin of 32.0% for the same period. Our net profit grew significantly from RMB25.1 million in 2021 to RMB33.0 million in 2022, and further to RMB78.8 million in 2023. Our net profit was RMB40.4 million for the six months ended June 30, 2024. Our adjusted net profit (non-HKFRS measure) was RMB25.1 million, RMB33.0 million, RMB78.8 million and RMB55.7 million in 2021, 2022 and 2023 and for the six months ended June 30, 2024, respectively.

Our Products

We design, develop, manufacture and sell a wide array of bespoke towable RVs, offering a full spectrum of functionalities and an expansive range of auxiliary services, catering to the personalized tastes and requirements of our proud RV owners. As of June 30, 2024, we had successfully mass-produced a comprehensive lineup of 49 RV models, which were all standard caravans, spanning eight distinct series under three characteristic brands, namely Snowy River, Regent and NEWGEN, as described below:

- ***Snowy River RV***. As of June 30, 2024, Snowy River RVs comprised (i) 13 traditional touring range models under the SRC series, namely SRC14, SRC16, SRC17, SRC18, SRC19, SRC20, SRC20F, SRC21, SRC21S, SRC22, SRC22F, SRC22S and SRC23, (ii) six multi-terrain models with multi-terrain suspension under the SRT series, namely SRT18, SRT18F, SRT19, SRT20, SRT20F and SRT22F, and (iii) four models under the SRP series, namely SRP18, SRP18F, SRP19 and SRP19F.

- ***Regent RV***. As of June 30, 2024, Regent RVs comprised (i) five traditional luxury models under the Discoverer series, namely RDC196, RDC206, RDC210, RDC210F and RDC236, and (ii) four slide-out luxury models under the Cruiser series, namely RCC206, RCC216, RCC220 and RCC226F.

- ***NEWGEN RV***. As of June 30, 2024, NEWGEN RVs offered the NG series comprising 17 models, namely NG13, NG15, NG17, NG18, NG18R, NG18F, NG19, NG19R, NG19S, NG20, NG20SR, NG21F, NG23, NGB19, NGB20, NGB21F and NGB21S.

In addition, we aspire to creating a sustainable and eco-friendly path for our owners to embrace RV electrification. We are currently building a trailblazing model of towable ERV which we anticipate to commence delivery in Australasia by the first quarter of 2025. Our towable ERV model adopts a regenerative braking energy recovery system to charge the RVs along the drive, which can also serve as the power sources for outdoor electrical equipment and home backup power supplies. Furthermore, embedded with intelligent technologies and autonomous driving system, our towable ERV model features the magic hitch, allowing automatic sight, alignment, and hitching of the RVs through the remote control of our dual-motor transmission system. Additionally, they come equipped with stable control functionality, allowing owners to reverse, park, and position the towable RVs automatically. Furthermore, we expect to launch hybrid off-road towable RVs and motorized RVs first in Australasia by the end of 2024 and eventually roll out our RV collections in the European and Canadian markets.

Our Market Opportunities

In recent years, consumers, both domestically and globally, place a greater emphasis on quality products and services in mobility solutions, particularly in terms of safety and convenience. Consumers are more willing to acquire premium products and service offerings in exchange for enhanced travel experiences, expanded space and additional privacy and comfort. This trend has positioned RV travel as an increasingly popular choice among modern travelers seeking versatile and self-contained travel solutions.

Furthermore, increasing needs to invest in quality of life, particularly in spending time with family and friends, are fully reflected in the way of traveling and living inside a RV, which allows target consumers to travel privately and safely. Through years of technological advancement and market expansion, RV products have integrated into various layers of travel and outdoor recreational activities. In North America, Europe, and Australasia, RVs have emerged as significant advocates of modern lifestyles. These regions consistently represent the largest markets for RV products, collectively commanding approximately 97% of the global market share in terms of RVs in use in 2023, according to Frost & Sullivan. Australasia, in particular, has been the third largest market for RV products, following North America and Europe. In 2023, the Australasian RV market recorded 40,000 units of new RV sales, accounting for 6.5% of the global market.

While the global RV market experienced a significant decline in sales volume from 2021 to 2023 due to economic uncertainties, supply chain disruptions, and rising material costs, the Australasia market remained relatively stable. In 2023, the Australasian-imported RVs recorded 23,600 units of sales volume, accounting for approximately 59% of the total sales volume of new RVs in Australasia, with China serving as its primary source. Additionally, towable RVs are exceptionally popular in Australasia, comprising over 95% of its RV market, demonstrating tremendous growth potential of our products in such region. Towable RVs generally offer greater affordability and lower total cost of ownership compared to their motorized counterparts, making them a more accessible option for individuals and families looking to purchase their first RV or those with budget constraints. Additionally, towable RVs offer enhanced flexibility in usage, they can be detached from the towing vehicle, allowing for easier local exploration and the use of the vehicle separately from the living quarters. As the global economy recovers post-pandemic, consumers are expected to have more disposable income for leisure and travel expenditures, and consequently, the global RV market is expected to grow at a CAGR of 6.6% over the next five years, reaching over 863,600 units by 2028, according to Frost & Sullivan. In particular, the Australasia RV market is expected to experience fluctuations in 2024, followed by a moderate recovery from 2024 to 2028, gradually returning to a more stable growth trajectory.

The overall Australasia RV market experienced a slight decline in both sales volume and revenue from 2021 to 2023, primarily due to the surge in demand for RVs in 2021, driven by the COVID-19 pandemic as more individuals opted for RVs for tourism and mobility as a result of social distancing measures. This surge led to a market overextension, resulting in a decline in both sales volume and revenue in 2022 and 2023. Additionally, according to Frost & Sullivan, shipping prices globally, as well as for major shipping routes, such as from China to Australasia, reached the all-time highs during 2021 and 2022, as a result of the disruption to global supply chains caused by COVID-19. This increase put substantial pressure on RV manufacturers that rely on overseas supply chains. The elevated costs, combined with extended shipping times, disrupted production processes and squeezed profit margins, creating considerable challenges for RV manufacturers.

Furthermore, following the implementation of stricter regulations under the Road Vehicle Standards Act (RVSA), which came into effect on July 1, 2021, the market witnessed a decline in the number of manufacturers in 2022 and 2023. The RVSA required all light trailer manufacturers and importers to fully comply with its regulations by June 30, 2023, which significantly raised the entry barriers for smaller RV manufacturers. See "Regulatory Overview — Laws and Regulations in Australia — Import — Road Vehicle Type Approvals" for further details. Pursuant to the implementation of the RVSA, according to Frost & Sullivan, the number of RV manufacturers in Australasia, which exceeded 220 in 2021 with nearly half being small, family-owned businesses, had dropped to fewer than 190 by December 2023, reflecting a trend of market consolidation. This consolidation highlights a growing concentration of larger RV manufacturers, allowing major players like us to further strengthen their leading market position.

Despite the decline in the overall Australasia RV market growth during the Track Record Period, our financial performance withstood such general market condition, demonstrated by consistent growth in revenue, gross profit, and net profit. We attribute this to our upstream efforts in product development, as well as downstream capabilities from logistics to sales. Upstream, our consistent investment in R&D enables us to introduce trend-setting RV models annually, keeping our offerings attractive and addressing evolving consumer preferences. The RV models we introduced from 2021 to 2023 have garnered significant recognition in the Australasian market, which has been a key driver of our strong performance growth. Notably, the Snowy River models, including the SRC16, SRC17, SRC19, SRC21, SRC22S, SRT19, SRT20 and SRT22F, which represent the majority of our sales, have experienced continuous and robust sales growth over this period. Similarly, the RCC 216 and RCC 220 models under the Regent Cruiser series, along with the NG19R, NG20SR and NG21F models under the NEWGEN brand, have also seen a remarkable increase in sales. This sustained growth across multiple models and brands demonstrates the market's recognition of the appeal of our product offerings, underpinning our ability to drive sales momentum and achieve growth, despite challenges in the boarder industry.

Downstream, our resilient supply chain, which has not experienced the disruptions affecting many competitors, is underpinned by our strong partnerships with third-party logistics service providers which ensures efficient, reliable, and cost-effective cross-border transportation, especially maritime logistics, of our RVs. Such uninterrupted delivery of RVs to our end market amid COVID-19 supported timely delivery and smooth sales of our RVs. Eventually, in terms of sales outreach, our robust and expanding dealership network enhances the distribution and accessibility of our products. This is further complemented by our effective marketing strategy that boosts our market visibility. The higher proportion of our retail sales of RVs through self-owned stores and JV stores compared to sales to dealers at wholesale prices, which are generally lower than retail prices, also drives our business growth. These attributes altogether allow us to capitalize on market opportunities and position us well to navigate market fluctuations during this period, which were largely influenced by COVID-19.

We are well positioned to capture the enormous market opportunities, particularly in the mid- to high-end towable RV industry. We have been continuously rejuvenating and broadening our product collection, which we believe is a key driver to sustaining the growth of our business. Going forward, we will continue to prudently allocate resources towards product research and development, as part of our commitment to delivering top-tier RV products and services, attracting and retaining customers, and fortifying our market leadership in the mid- to high-end towable RV industry.

OUR STRENGTHS

We believe that the following competitive strengths are critical to our current success and crucial to our future growth.

Widely recognized brands and invigorating RV collection

Our collection of bespoke RVs is curated under three characteristic brands, namely Snowy River, Regent and NEWGEN, which we regard as emblems of quality, craftsmanship, innovation and performance. We acquired the renowned brand Regent with a long heritage of over 30 years in 2014, and over the years have injected new vitality into this brand through our capabilities in visionary design, refined manufacturing and localized sales and distribution. Immediately after such acquisition, we launched Snowy River in 2015 in Australia, which offers a range of affordable and stylish RVs with high-quality craftmanship, allowing us to expand rapidly in and penetrate a variety of regions across Australasia, and tap into a more diverse customer base to fuel further growth.

Built upon a vertically integrated business model, we combine our in-house product design and manufacturing expertise in China with our local sales capabilities in Australasia, effectuating end-to-end owner experiences for RV owners from conceptualization, design selection, customization, delivery to various after-sales services. Our Regent and Snowy River RVs have successfully established market recognition in Australasia. Snowy River won the awards of the "Best Value for Money" for its SRC-21 RV model in 2019 and 2022.

In pursuit of relentless innovation and product development, in 2019, we, together with our JV partner Green RV, launched a new series of RVs under the NEWGEN brand, which embodies a semi-off-road brand, designed to appeal to the outdoor adventurers. Our NEWGEN RVs cater to customers seeking semi-off-road capabilities without all the rugged features of the SRT series of Snowy River. Positioned between the SRC and SRT series of Snowy River, NEWGEN RVs offer a balanced blend of affordability and performance while rejuvenizing our reputation among RV players with this adventuresome RV series.

We believe consistent rejuvenation and expansion of our RV collection is a key driver to our business growth. In addition to periodically launching new models, we continuously upgrade and rejuvenate our existing product collection by incorporating interior and exterior upgrades to our RVs, based on market research and customer feedback. During the Track Record Period, we developed and launched nine new models under Regent, six new models under Snowy River, upgraded 21 models under Snowy River, and developed and launched five new models under NEWGEN.

To further outreach our brand recognition and acquire customers, we actively engage in targeted marketing through event sponsorships, advertisement placements, as well as digital and social media marketing. Notably, we sponsored Tickford Racing Team for 2022–2023 and will sponsor Blanchard Racing Team for 2024–2025 in V8 Supercars, which helped raise our brand awareness and gain widespread exposure. We also embrace the RV lifestyle scene by actively participating in local events and activities that offer camping experiences and align with the RV lifestyle, placing our brands at the heart of a key target market which comprises of outdoor adventurers who are potential RV enthusiasts. These platforms serve as valuable opportunities to showcase our products, conduct live demonstrations, and interact directly with potential customers, providing an additional avenue for sales and brand visibility. In particular, our SRT and SRC models are prominently featured at major RV shows in Brisbane, Australia and other key cities.

Robust product development capabilities

We design, develop, manufacture, and sell a wide array of bespoke 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 adventures. As of June 30, 2024, we had successfully mass-produced a comprehensive lineup of 49 RV models which were all standard caravans, spanning eight distinct series under three characteristic brands.

Continuously rejuvenating and broadening of our product collection to attract customers and drive sales necessitates a disciplined, scalable and cost-effective technological framework for product development. Over the past years, we have continuously made investment in our proprietary technology and infrastructure, enabling us to introduce trend-setting RV models with smart, lightweight and eco-friendly features. Equipped with advanced functionalities such as solar power, intelligent control and sustainably-made materials, our RVs redefine the standards of modern travel.

By leveraging our robust technological advancement, our RV products can be customized and tailored to adapt to various harsh outdoor conditions, including extreme weather conditions such as ultraviolet radiation, torrential rains, and hailstorms. The reliability and scalability of our technological infrastructure are evidenced by our periodical launch of new models and continuous upgrades to our existing RV collection. During the Track Record Period, we developed and launched nine new models under Regent, six new models under Snowy River, upgraded 21 models under Snowy River, and developed and launched five new models under NEWGEN. Embedded with intelligent technologies and autonomous driving system, we are currently developing a trailblazing model of towable ERV and anticipate commencing delivery of these towable ERVs in Australasia by the first quarter of 2025.

We believe that our capability to continue offering customer value propositions characterized by high quality, refined design solutions and excellent technical performance is pivotal to our sustained success. We intend to continue our R&D capabilities and increase our investment in product development in the coming years, which we believe is essential for preserving the appeal of our product offerings, thereby serving as a key driver for improving customer satisfaction and maintaining competitiveness in the RV market.

Manufacturing excellence with precision and cost efficiency

We prioritize refined manufacturing excellence with precision and cost efficiency. 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.

Benefiting from our integrated manufacturing capabilities, we design and produce RV products with advanced craftsmanship and uncompromised quality. We have implemented stringent quality control procedures across all our brands and design models, ensuring each product is equipped with durability and safety features, as well as esthetic appeal. For example, all our RVs' exterior floors, walls, roofs are constructed using ALOPEX® sandwich panels, featuring a combination of aluminum extrusions and high-density XPS insulating foam, finished with fiberglass sheets. This combination ensures that our RVs are lightweight, rain and hail resistant, while well-insulated from extreme temperature. Beneath the floor lies an organic zinc-rich silver metallic chassis with a 50mm ball coupling and torsion suspension, enhancing safety and delivering a smoother driving experience. Our interior cabinets and furniture are manufactured from high-quality solid plywood and eco-friendly panels, with rounded edges adding a touch of class and style.

We pride ourselves on our ability to achieve manufacturing excellence while upholding cost efficiency. Through the standardization and automation of our facilities and centralized supply chain management, we have meticulously honed every stage of production, from innovative design to precision engineering, to deliver exceptional quality without compromising affordability. We are devoted to optimizing our manufacturing processes and enhancing productivity, ensuring that every RV leaving our facilities embodies high-quality craftsmanship while remaining competitively priced in the market.

Furthermore, we source raw materials, components, and parts, including furniture and appliances, from both domestic and international suppliers. Through our growing operations, we have been striving to control costs associated with material procurement on a per-unit basis, realizing economies of scale.

Effective and diversified distribution channels

Effective execution of our sales and marketing strategies is critical to our sales growth. We market our RVs and interact with customers through a dynamic, multifaceted sales and distribution network of 19 stores in total and a myriad of marketing initiatives across Australasia. As of June 30, 2024, we had built a robust dealership network consisting of 13 third-party dealer stores, and had successfully established an extensive presence in major locations across Australasia. Furthermore, we had established two self-owned stores in Australia as of the Latest Practicable Date, ensuring direct local presence, fostering connection with our clientele, and acquiring invaluable market insights firsthand. We launched our first self-owned store in Western Australia in 2022, which swiftly garnered widespread market acclaim and has achieved significant revenue growth. The store's revenue surged from A$5.4 million (equivalent to RMB24.4 million) in 2022 to A$22.1 million (equivalent to RMB99.9 million) in 2023, marking an impressive threefold increase. In addition, we opened our first JV store in 2020 and another three JV stores in 2023 with our JV partners, allowing us to expand our sales and distribution network while mitigating substantial overhead costs. 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.

Full supply chain management and timely delivery

To execute and harmonize with the high degree of customization of our RVs, we have integrated the (i) customer relationship management (CRM) system, (ii) product lifetime management (PLM) system, and (iii) systems applications and products (SAP) system, into every aspect of our operations, enabling us to promptly retrieve and analyze operational and financial data in real-time, including procurement, sales, inventory and customers. This comprehensive business system provides us with scalability and efficiency advantages across various aspects of our operations, including production, procurement, and supply chain management.

With our experienced team, advanced digital capabilities, and years of expertise in the RV industry, we consistently deliver high-quality, bespoke RVs in a timely manner. Nearly every aspect of our RVs can be customized and tailored to the specific needs, preferences and tastes of individual customers.

Moreover, we have entered into cooperation agreements with a Chinese multinational conglomerate, an independent third party that engages in global shipping and logistics services, which further fortifies our capability to ensure efficient and reliable maritime logistics and prompt delivery, demonstrating our refined management strategies across every facet of our business operations.

As a pioneer in manufacturing and exporting towable RVs from China, we possess significant advantages over our competitors, particularly in product delivery, capacity planning, and supply chain management. In 2021, 2022 and 2023 and for the six months ended June 30, 2024, we delivered an aggregate of 1,330, 2,127, 2,694 and 1,427 RVs to our customers, respectively, representing an increase of 59.9% from 2021 to 2022 and 26.7% from 2022 to 2023.

Visionary management team with extensive interdisciplinary expertise

Our senior management team consists of veterans from the automotive industry with deep understanding of the industry as well as experience in corporate strategy, technology development and investment. Members of our senior management team have an average of 10 years of experience in the RV industry and two decades of experience in the broader automotive industry.

Mr. Miao Xuezhong, our founder, the chief executive officer of our Group and the chairman of the Board, has over 25 years of experience in the automotive industry and extensive management experience. Prior to establishing our Group, Mr. Miao also established the GONOW Group and had experiences with other automobile companies including GAC Motor (Hangzhou) Co., Ltd (廣汽乘用車(杭州)有限公司) and Geely Automobile Group Co., Ltd. (吉利汽車集團有限公司). For Mr. Miao's biographical details, see "Directors and Senior management — Board of Directors — Executive Directors".

Our visionary management team comprises other members who are industry veterans with diverse expertise, including Ms. Liu Qin, our executive Director and a general manager of our Group, Mr. Andrew Robert Crank, our executive Director and a general manager of our Group, and Mr. Liu Tao, our executive Director and chief financial officer of our Group.

Ms. Liu Qin possesses extensive experience in the RV industry and the broader automotive industry. Prior to joining our Group, Ms. Liu Qin worked at Ordos (Wuhan) Forest River Automotive Co., Ltd.* (鄂爾多斯(武漢)森林河汽車有限公司) from March 2012 to September 2014.

Mr. Andrew Robert Crank has extensive experience in the RV industry and deep insights into the local markets across Australasia. Prior to joining our Group, Mr. Andrew Robert Crank worked at Jayco Corporation Pty Ltd, an established RV company in Australia, from July 2017 to June 2020.

Mr. Liu Tao possesses two decades of experience in financial management and investment. Before he joined our Group, Mr. Liu Tao served as the vice president of financial department at Hangzhou Hongjing Drive Technology Co., Ltd.* (杭州宏景智駕科技有限公司), an autonomous driving solutions provider in the PRC, from March 2022 to April 2023 and the chief financial officer at Zhejiang Tiancheng Controls Co., Ltd. (浙江天成自控股份有限公司), a company primarily engaged in the business of vehicle seats and which was listed on the Shanghai Stock Exchange (stock code: 603085), from February 2020 to January 2022.

OUR STRATEGIES

Strengthen Australasian leadership and expand into the European and Canadian markets

Our RVs have been commercially successful and our brands have garnered widespread acclaim in the Australasian market. According to Frost & Sullivan, we achieved the second-largest market share in Australasia's RV industry in terms of sales volume in 2023. Our top-selling brand, Snowy River, has models that have won numerous awards for their innovative designs and high-quality craftsmanship, including the "Best Value for Money" Award by CZONE for its SRC-21 RV model in 2019 and 2022 and the "Best Aussie Van Under 60k" award by Caravan World Media in 2022. Our goal is to be the number one seller in Australasia in the near future and the preferred RV brand for Australasian customers. To fortify our market leadership position in Australasia, we will intensify our efforts by establishing partnerships with more dealers and expand our presence through establishing more self-owned stores (by way of organic growth or acquiring other suitable RV stores at desirable locations) and JV stores. Furthermore, we will further enhance the sales performance of our existing stores through providing comprehensive training to our sales team, upgrading our customer relationship management system and conducting relevant data analysis.

Building upon our success in the Australasian market, we are geared up to expand our presence into Europe and Canada to reach more potential customers. We intend to replicate our success in the Australian market to these new territories. Similar to our business model in Australasia, we intend to employ a combination of dealer stores and self-owned stores to effectively harness the sales and marketing resources of our own and our local partners. As confirmed by Frost & Sullivan, no import duty was applicable to RVs of a Chinese origin exported into Europe or Canada as of the Latest Practicable Date. For our potential tariff exposure in light of our expansion plan in Europe and Canada, see "Risk Factors — Risks relating to our Business and our Industry — We may be subject to tariffs in countries where we operate or plan to expand our business."

We intend to allocate 16.7% of the net proceeds from the Global Offering for expansion of our sales channels. See "Future Plans and Use of Proceeds."

Maintain and elevate our brand image in the towable RV market

We plan to continue to maintain and elevate our brand image and reputation for towable RVs to not only expand our customer base but also foster stronger loyalty among existing ones. We will focus on further deepening our penetration into the mid- to high-end market, where we will meticulously craft a brand image centered on private space, safety, comfort, and customization, while remaining competitively priced in the market. With our bespoke RV collection, we will continue to curate individualized ownership experiences for each of our RV owners.

We seek to increase our brand awareness through various marketing activities. These may include sponsorships for racing series and music festivals, participation in RV shows and special events, advertisement placements, digital and social media marketing, and cooperation with brand ambassadors and celebrities. Each initiative will be designed to showcase the essence of our brand image and resonate with our customers on a deeper level.

Continue to rejuvenate and broaden our RV collection

In 2023, we captured a market share of 6.8% in the RV market and 9.7% in the standard caravan market in Australasia, according to Frost and Sullivan. To capitalize on the opportunities in the global market, we will continue to upgrade and rejuvenate our existing product collection by incorporating interior and exterior upgrades to our RVs, as well as to introduce new models, to attract new customers with different needs, generate repurchase from existing customers and expand our product collection. Furthermore, we expect to launch hybrid off-road towable RVs and motorized RVs first in Australasia by the end of 2024 and eventually roll out our RV collections in the European and Canadian markets.

In addition, as of the Latest Practicable Date, steering the evolution of the RV industry, we had developed and will continue to strengthen our new towable ERV models, which were lighter in weight and featured with automotive design and constructions. See "— Product Development and Innovation — Our Towable ERV Model in the Pipeline."

We intend to allocate 10.0% of the net proceeds from the Global Offering to our product research and development efforts. See "Future Plans and Use of Proceeds."

Upgrade and automate our production facilities

We plan to acquire land and establish state-of-the-art production facilities over the next three years. This strategic facility expansion is expected to provide us with the infrastructure needed to support future growth. Furthermore, we are committed to ongoing plant upgrades and equipment automation, ensuring that our facilities remain at the forefront of technological advancement.

In the RV industry, the product itself is at heart of consumer decision-making, serving as the cornerstone of consumer satisfaction and loyalty. Recognizing this, we are dedicated to elevating our production efficiency and efficacy to satisfy and exceed the evolving demands of our customers. We plan to constantly optimize production workflows by upgrading our furniture production, welding, and tailoring processes.

In parallel with our production upgrades, we are committed to investing in research and development to pioneer new technologies and manufacturing techniques, with an aim to reducing costs and achieving greater precision in manufacturing processes. By investing in automation, we aim to achieve cost reduction, enhance operational efficiency, and improve product consistency to meet stringent quality standards. Additionally, we consider investment in the product development and production facilities of ERVs a critical part of our growth strategy, aligning with the industry's shift towards sustainability and eco-friendliness.

We intend to allocate 63.3% of the net proceeds from the Global Offering to construction and renovation our production facilities. See "Future Plans and Use of Proceeds."

OUR BUSINESS MODEL

We are a recreational vehicle enterprise with an extensive presence in Australasia that designs, develops, manufactures and sells bespoke towable RVs, commanding the second-largest market share in Australasia's RV industry in terms of both revenue and sales volume in 2023, according to Frost & Sullivan. Our product offering is showcased under 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. Driven by our relentless dedication to customer satisfaction, we offer a high degree of customization for all our RV models. See "— Our Product and Brand." We design and manufacture our RVs with emphasis on comfortability, safety and functionality. According to Frost & Sullivan, we achieved the second-largest market share in Australasia's RV industry in terms of sales volume in 2023. In addition, as of the Latest Practicable Date, steering the evolution of the RV industry, we were in the final stage of developing new towable ERV models, which are lighter in weight and featured with automotive design and constructions, and were among the first batch of RV experts that bring towable ERV options to commercialization. See "— Product Development and Innovation — Our Towable ERV Model in the Pipeline." Furthermore, we expect to launch hybrid off-road towable RVs and motorized RVs first in Australasia by the end of 2024 and eventually roll out our RV collections in the European and Canadian markets. As confirmed by Frost & Sullivan, no import duty was applicable to RVs of a Chinese origin exported into Europe or Canada as of the Latest Practicable Date. Where necessary, we will engage independent tax advisors and/or tariff advisors in the future to ensure compliance with tax and custom policies in countries where we operate or plan to expand our business. For our potential tariff exposure in light of our expansion plan in Europe and Canada, see "Risk Factors — Risks relating to our Business and our Industry — We may be subject to tariffs in countries where we operate or plan to expand our business."

Built upon a vertically integrated business model, we combine our in-house product design and manufacturing expertise in China with our local sales capabilities in Australasia, effectuating superior end-to-end owner experiences for RV owners from conceptualization, design selection, customization, delivery to various after-sales services. Our manufacturing team in China works closely with our marketing and distribution team in Australasia to deliver end-to-end services to our customers. To capture the benefit of our integrated manufacturing capabilities in the PRC and our local decade-long presence, extensive sales and distribution network and rich marketing experience in the RV industry in Australasia, we produce our frame and chassis in China utilizing the latest vacuum press technology and advanced craftsmanship, and then ship them to our assembly lines in Melbourne to be assembled according to Australian federal standards that can be marketed in both Australia and New Zealand.

Our RVs are available for sale and delivery in Australia and New Zealand and have a pre-tax base price ranging from A$50,900 (equivalent to RMB230,093) to A$84,990 (equivalent to RMB384,197), depending on the brands and models. As of June 30, 2024, we had built a dynamic, multifaceted sales and distribution network, leveraging a combination of three distinct channels: (i) a robust and extensive network of 13 third-party dealer stores in Australasia, enhancing our sales coverage and market penetration; (ii) two self-owned stores in Australia alongside online official websites, ensuring direct local presence, fostering connection with our clientele, and acquire invaluable market insights firsthand; and (iii) four JV stores with our JV partners, allowing us to expand our sales and distribution network while mitigating substantial overhead costs. 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. See "— Sales and Distribution."

We also offer auxiliary services that support and synergize with our core business. As of June 30, 2024, we had a network of 54 recommended RV workshops (including our self-owned stores and JV stores) offering various after-sales services, including RV maintenance, repairs, and sales and upgrade of a wide selection of RV parts and accessories, ensuring that our customers have access to everything they need to keep their vehicles running smoothly and efficiently. By integrating these additional offerings into our business model, we strive to foster lasting relationships with our RV owners that goes beyond mere transactions, ensuring satisfaction, long-term customer loyalty, and an exceptional ownership experience. Additionally, 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.

The following table sets forth our revenue breakdown by products, both in absolute amount and as a percentage, for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2021		2022		2023		2023		2024	
							(Unaudited)			
	(RMB in thousands, except for percentages)									
Sale of RVs	298,586	99.6%	498,116	99.9%	710,747	98.7%	309,526	100.0%	396,894	94.1%
— Snowy River	233,273	77.8%	402,690	80.7%	550,175	76.4%	235,517	76.1%	335,096	79.4%
— Regent	35,098	11.7%	49,347	9.9%	84,338	11.7%	35,514	11.5%	26,514	6.3%
— NEWGEN	30,215	10.1%	46,079	9.2%	76,234	10.6%	38,495	12.4%	35,284	8.4%
Sale of pre-owned RVs	—	—	—	—	8,691	1.2%	—	—	23,396	5.5%
Others(1)	1,086	0.4%	664	0.1%	865	0.1%	—	—	1,683	0.4%
Total	299,672	100.0%	498,780	100.0%	720,303	100.0%	309,526	100.0%	421,973	100.0%

Note:

(1) Others include revenue generated from sales of RV parts during our provision of after-sales services which are auxiliary to our core business of sales of our RVs.

The following table sets forth a breakdown of our gross profit and gross profit margin by products for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2021		2022		2023		2023		2024	
	Gross Profit	Gross profit margin	Gross Profit	Gross profit margin	Gross Profit	Gross profit margin	Gross Profit	Gross profit margin	Gross Profit	Gross profit margin
							(Unaudited)			
	(RMB in thousands, except for percentages)									
Sales of RVs	49,755	16.7%	82,172	16.5%	179,521	25.3%	71,381	23.1%	127,662	32.2%
— Snowy River	39,455	16.9%	63,590	15.8%	140,804	25.6%	55,844	23.7%	105,169	31.4%
— Regent	6,938	19.8%	7,535	15.3%	15,572	18.5%	6,517	18.4%	8,207	31.0%
— NEWGEN	3,362	11.1%	11,047	24.0%	23,145	30.4%	9,020	23.4%	14,286	40.5%
Sales of pre-owned RVs	—	—	—	—	1,415	16.3%	—	—	6,777	29.0%
Others	348	32.1%	72	10.9%	115	13.3%	—	—	464	27.6%
Total	50,103	16.7%	82,244	16.5%	181,051	25.1%	71,381	23.1%	134,903	32.0%

Overall, the fluctuations in our gross profit margin for sales of RVs were primarily affected by the following factors: (i) high degree of customization of our RV owners which typically yields higher gross profit margin, (ii) the proportion of our retail sales of RVs through self-owned stores and JV stores attributable to the relatively higher retail prices compared to the wholesale prices for dealers, and (iii) fluctuations in shipping and handling expenses.

More specifically, our gross profit margin for the Snowy River RVs decreased from 16.9% in 2021 to 15.8% in 2022, primarily due to an increase in shipping and handling expenses amid COVID-19. Our gross profit margin for the Snowy River RVs increased to 25.6% in 2023, primarily due to (i) a higher degree of customization, (ii) a higher proportion of retail sales, and (iii) the higher shipping and handling expenses in 2022 amid COVID-19. Our gross profit margin for the Snowy River RVs increased from 23.7% for the six months ended June 30, 2023 to 31.4% for the six months ended June 30, 2024, primarily due to a higher proportion of our retail sales of RVs through self-owned stores and JV stores than sales to dealers at wholesale prices which are generally lower than retail prices.

Our gross profit margin for the Regent RVs during the Track Record Period was primarily affected by fluctuations in shipping and handling expenses. The gross profit margin decreased from 19.8% in 2021 to 15.3% in 2022 and then increased to 18.5% in 2023, primarily due to (i) higher shipping and handling expenses on a per-unit basis as a result of higher levels of shipping prices due to the disruption to global supply chains caused by COVID-19, and (ii) the relatively larger revenue contribution of RV models which have higher gross profit margin in 2021. Our gross profit margin for the Regent RVs increased from 18.4% for the six months ended June 30, 2023 to 31.0% for the six months ended June 30, 2024, primarily due to a higher proportion of our retail sales of RVs through self-owned stores and JV stores than sales to dealers at wholesale prices which are generally lower than retail prices.

Our gross profit margin for the NEWGEN RVs increased from 11.1% in 2021 to 24.0% in 2022, primarily due to (i) a higher degree of customization, and (ii) a reduction in procurement costs as a result of our collaboration with more cost-effective suppliers for certain components of the NEWGEN models. Our gross profit margin for the NEWGEN RVs increased to 30.4% in 2023, primarily due to (i) the higher shipping and handling expenses in 2022 amid COVID-19, and (ii) a higher proportion of retail sales. Our gross profit margin for the NEWGEN RVs increased from 23.4% for the six months ended June 30, 2023 to 40.5% for the six months ended June 30, 2024, primarily due to a higher proportion of our retail sales of RVs through self-owned stores and JV stores than sales to dealers at wholesale prices which are generally lower than retail prices.

OUR PRODUCT AND BRAND

Our Products

We design, produce and sell a wide range of towable RVs. Each of our RV is designed and produced with focus on comfortability, safety and functionality. Our RVs boast innovative designs and a suite of advanced technologies, setting them apart from our competitors' offerings. Our RVs display the following common features.

- **Exterior.** We employ sandwich panels for the construction of our RVs' floor, walls and roof, ensuring they are sturdy, lightweight, and water-resistant. Beneath the floor lies an organic zinc-rich silver metallic chassis with a 50mm ball coupling and torsion suspension, enhancing safety and delivering a smoother driving experience. Moreover, our anti-sway control system enhances vehicle stability, further improving driving safety and comfort.

  - ***Floor, Walls and Roof.*** All our exterior floors, walls, roofs are constructed using ALOPEX® sandwich panels. These sandwich panels are manufactured in-house at our production facilities in China, utilizing state-of-the-art machinery procured from the United States. The ALOPEX® sandwich panels feature a combination of aluminum extrusions and high-density XPS insulating foam, finished with fiberglass sheets. This combination ensures that our RV is lightweight, rain and hail resistant, while well insulated from extreme temperature.

  - ***Chassis.*** The chassis is manufactured using DuraGal rectangular hollow sections using steels with 250Mpa (TBC) in strength. The chassis is fully welded by highly skilled welders, and then painted for final finish and protection. The chassis have been designed and tested to meet Australian federal standards with a rating of either 3,000 kg depending on the model.

  - ***Suspensions.*** We adopt torsion suspension to our Snowy River SRC series, Regent Discoverer and Cruiser series. The torsion suspension is comprised of a unique hexagonal outer axle tube, which houses three rubber elements held in place by a triple-fluted inner tube axle, to damp shocks along the ride, providing a smooth, stable, and safe towing experience. With the torsion suspension, our RVs can navigate rough road conditions from dirt tracks to bitumen freeways. Our RV models under the Snowy River SRT series and NEWGEN NG series are equipped with 3.5T independent coil trailing arm suspension, creating a high ground clearance. This trailing arm suspension is designed and tested in-house, and excels in traversing challenging terrain, including undulating off-road tracks.

  - ***Anti-sway control System.*** All our towable RVs are fitted with trial-safe emergency braking system, which immediately applies brakes and brings the towable RVs to a standstill when it is detached from the towing vehicle. In addition, we provide an anti-sway control system, which can distribute weight, manage braking output and make advanced braking maneuvers to effectively control trailer sway, as a customization option to our owners.

- **Interiors**. We meticulously design and manufacture interior fittings and customized furnishings for our RVs in-house, aligning with our commitment to fulfilling the high degree of high-end customization of our RV owners, enhancing the competitiveness of our products in the market. To keep abreast of market trends, we also collaborate with third-party interior design consultants to select interior themes and colors through market research and study on focus groups. Every element inside our RVs is carefully curated by our team of skilled professionals, ensuring exceptional quality and customization to meet diverse tastes and preferences of our owners.

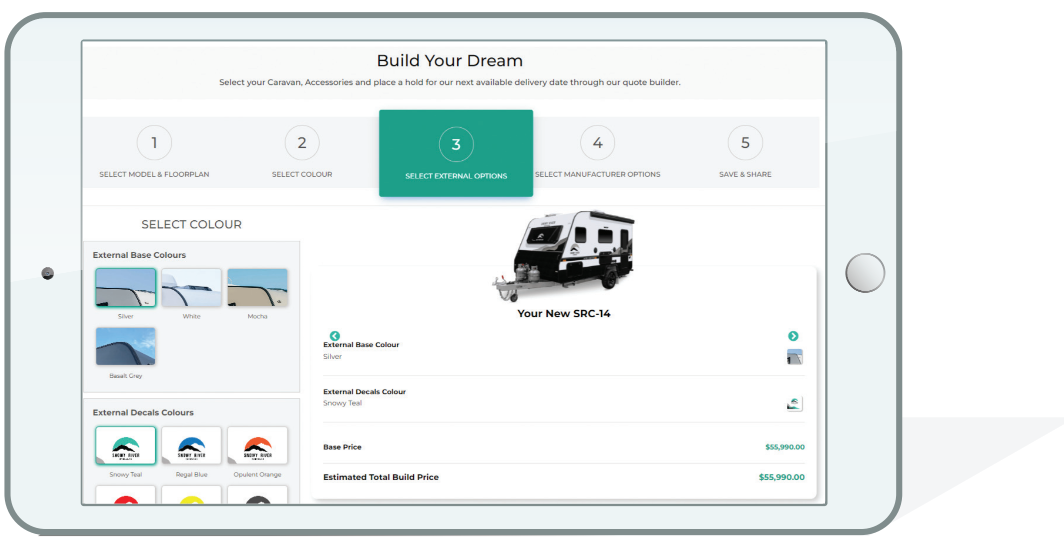
  - o ***Furniture.*** Our cabinets and furniture are manufactured from high quality solid plywood. Each panel and cupboard door are glued and screwed together and is laminated with acrylic material chosen from a wide range of colors and styles. We adopt rounded edges on all doors complimented with soft closing gas struts and heavy duty handles and latches to add a touch of class and style.

  - o ***Electrical.*** All RVs are fitted with Projecta battery management systems, including a fuse box, solar controller, battery charger, water pump switch, hot water cut-off switch, and primary load. These systems are integrated to ensure the safety of our occupants in case of various overload events. The majority of the electrical system is grouped together in a single overhead cupboard for ease of access. All of our RVs are rigorously inspected by a qualified electrician prior to delivery and provided with an electrical certificate in accordance with Australian federal standards.

- o ***Safety Features.*** Safety of the owners and passengers is paramount to our business. We equip our RVs with fire extinguisher, smoke alarm and critical equipment shut off switches to deal with emergencies. In addition, all our towable RVs are fitted with trial-safe emergency braking system, which immediately applies brakes and brings the towable RVs to a standstill when it is detached from the towing vehicle.

We pride ourselves on our commitment to customization. With our superior manufacturing capabilities and skilled craftsmanship, we offer a made-to-order service that fosters a high level of personalization and ensures every RV reflects the unique preferences and needs of its owner. From exterior esthetics to interior layout and feature, and whether it is incorporating unique design elements, adding special amenities, or fine-tuning every detail, our team is dedicated to creating RVs that reflect individualized demands of different RV owners.

We maintain a high degree of customization for all our RV models, ranging from interior layouts, appliances, external deigns to furnishings and fittings, which can be almost completely adapted to match customer requirements, while still maintaining cost advantages associated with our production cycle. For the owners to visualize their dream RVs, we offer virtual selection interface online with estimated pricing under different options.



Our Brands

Our collection of bespoke RVs is curated under three characteristic brands, namely Snowy River, Regent and NEWGEN, which we regard as emblems of quality, craftsmanship, innovation and performance. Each of our brands stands out in style and technical performance characteristics with distinctive features and precise identities:

- Snowy River is our top-selling brand that perfectly combines contemporary and modern design elements with attention to details and functionalities, targeting mid-end customers.

- Regent is our luxury, high-end brand with more than three decades of history, characterized by luxurious cabins with spacious and elegantly designed interior layouts.

- NEWGEN is a semi-off-road brand, designed to appeal to the younger generation of customers.

Snowy River

SNOWY RIVER
CARAVANS

Launched in 2015 in Australia, Snowy River RVs offer a range of affordable and stylish RVs with high-quality craftmanship, including touring range and multi-terrain range models. With various layouts to choose from, Snowy River RVs cater to customers looking for the best value-for-money RV in Australia. Since its debut in 2015, Snowy River has won awards, including the "Best Value for Money" Award by CZONE in 2019 and 2022, the "Best Aussie Van Under 60k" award by Caravan World Media in 2022, and "Caravan of the Year for the Value for Money Category" award by MSA 4x4 Accessories in 2022.

As of June 30, 2024, Snowy River RVs offered three series, namely (i) the SRC, traditional touring range RVs, (ii) the SRT, multi-terrain range RVs, with multi-terrain suspension, which further branch off to 17 models based on size, layouts and range, and (iii) the SRP, pop top range RVs.

- ***SRC Series.*** The SRC series offer a wide range of family-friendly models, compact models for solo adventurers and slide-out models for those who crave additional space. The interior design and furnishing of our SRC models are designed with a touch of modernity and elegance. SRC models come with an en suite, internal kitchen, queen-sized bed (single beds are optional on most models), and either an L-shaped lounge, club lounge, or café dinette seating area. The SRC models are equipped with rounded benchtops and unique curved overhead cupboards to offer a sense of spaciousness, which is further enhanced by LED cupboard strip lighting. Customers can choose from a wide selection of stylish upholstery and fabric options for furnishings.

- ***SRT Series.*** The SRT series are designed to tackle rough and undulating road conditions. We equip all SRT models with a 3.5T independent coil trailing arm suspension, which provides a smoother ride over corrugated tracks without compromising the stability and control of the RVs. In addition, SRT models are equipped with extensive stone protection features, including rock coat finish to the chassis, stone guards with large mudflaps and underfloor brushes, to safeguard the RVs against damage during off-road travels. The SRT models are equipped with abundant solar power and lithium batteries to ensure sufficient energy for off-grid camping.

- ***SRP Series.*** The SRP series represents a blend of innovation, style, and functionality. Designed with the modern adventurer in mind, the SRP series features a pop-up roof that expands at the touch of a button, creating an airy and spacious interior for camping experience. During travel, the roof lowers to improve aerodynamics, ensuring smooth handling and better fuel efficiency while on the road. The SRP series also boasts a low profile when the roof is down, making storage in standard garages hassle-free. With layouts tailored for both couples and families, including options with bunk beds, the SRP models are equipped with dedicated seating, en-suite bathrooms, a equipped kitchen, and a comfortable bed.

The table below sets out specifications of models under our Snowy River brand.

Model	Launch Time	Size[1]	Sleeps up to	List Price as of June 30, 2024[2]	
		(mm)		(A$ in thousands)	(Equivalent to RMB in thousands)
SRC (Touring range)					
SRC-14	November 2020	L5927*W2390*H3071	2	50.9	230.1
SRC-16	December 2020	L6452*W2390*H3071	2	54.1	244.6
SRC-17	November 2020	L6827*W2390*H3071	2	56.4	255.0
SRC-18	November 2020	L7127*W2390*H3071	2	62.3	281.6
SRC-19	November 2020	L7452*W2390*H3071	2	63.6	288.0
SRC-20	November 2020	L7727*W2390*H3071	2	65.0	293.8
SRC-20F	November 2020	L7727*W2390*H3071	4	66.4	300.1
SRC-21	November 2020	L8027*W2390*H3071	2	66.4	300.1
SRC-21S	December 2020	L8027*W2390*H3221	2	71.4	322.8
SRC-22	November 2020	L8327*W2390*H3071	2	67.3	304.2
SRC-22F	November 2020	L8327*W2390*H3071	5	70.0	316.4
SRC-22S	December 2020	L8327*W2390*H3221	2	72.3	326.8
SRC-23	November 2020	L8527*W2390*H3071	2	68.6	310.1
SRT (Multi-terrain range)					
SRT-19	December 2021	L8220*W2390*H3110	2	76.4	345.3
SRT-20	December 2021	L8520*W2390*H3110	2	77.7	351.2
SRT-20F	January 2022	L8520*W2390*H3110	4	81.8	369.8
SRT-22F	January 2022	L9120*W2390*H3110	5	81.8	369.8
SRT18	May 2024	L8000*W2390*H3100	2	83.0	375.2
SRT18F	May 2024	L8100*W2390*H3100	4	84.5	382.0
SRP (Pop top range)					
SRP18	May 2024	L7052*W2390*H2658	2	58.5	264.4
SRP18F	May 2024	L7052*W2390*H2658	4	60.5	273.5
SRP19	May 2024	L7302*W2390*H2658	2	61.5	278.0
SRP19F	May 2024	L7302*W2390*H2658	4	63.0	284.8

Notes:

1. Measured by external body measurement.
2. The final retail price equals to list price plus customization fee, which typically ranges from approximately 5.0% to 10.0% of the list price.

Regent

The Regent brand was acquired by us in 2014. See "History, Reorganization and Corporate Structure — Corporate Development — Establishment of Regent Company." In 2021, leveraging our manufacturing capabilities, we converted Regent RVs from using old-fashioned wood construction into a new full composite sandwich panel construction, which was then beyond reach for most local RV manufacturers in Australia. Regent RVs offer an extensive range of luxury RVs with outstanding craftsmanship under two series, Discoverer and Cruiser. We employ the advanced technology and equipment across the range of Regent RVs, ensuring that each one is built with all the features and comfort that luxury RV owners expect. Over the years, our Regent RVs have been one of the widely recognized RV brands in Australia.

While taking advantage of the ALOPEX® exterior construction technique, the Regent collection adopts unique single piece fiberglass molds in the front and rear of the body, offering a bullet-train appearance, with flat tinted double-glazed windows and rock coated chassis completing the exterior. We decorate the interior of our Regent collection with high-quality appliances alongside stylish luxury flat finished cupboards and leather upholstery. All Regent RVs come standard with additional safety features, such as anti-sway control systems.

As of June 30, 2024, the Regent collection comprised five traditional luxury models under the Discoverer series and four slide-out luxury models under the Cruiser series. The following table below sets out specifications of models under our Regent brand.

Model	Launch Time	Size[1]	Sleeps up to	List Price as of June 30, 2024[2]	
		(mm)		(A$ in thousands)	(Equivalent to RMB in thousands)
Discoverer					
RDC196	September 2020	L8370*W2400*H2950	2	70.9	320.5
RDC206	December 2020	L8670*W2400*H2950	2	72.7	328.6
RDC210	December 2020	L8820*W2400*H2950	2	74.5	336.8
RDC210F	January 2021	L8820*W2400*H2950	5	76.4	345.4
RDC236	December 2020	L9570*W2400*H2950	2	78.2	353.5
Cruiser					
RCC206	January 2021	L8670*W2400*H2950	2	80.0	361.6
RCC216	August 2020	L8970*W2400*H3100	2	81.8	369.8
RCC220	January 2021	L9120*W2400*H2950	2	83.6	377.9
RCC226F	May 2023	L9270*W2400*H3100	5	85.0	384.2

Notes:

1 Measured by external body measurement.

2 The final retail price equals to list price plus customization fee, which typically ranges from approximately 5.0% to 10.0% of the list price.

NEWGEN

NEWGEN CARAVANS

Launched in 2019, NEWGEN RVs cater to customers seeking semi-off-road capabilities without all the rugged features of the SRT range. Positioned between the SRC and SRT range, the pricing of NEWGEN RVs offers a balanced blend of affordability and performance. We equip all our NEWGEN models with the same ALOPEX® exterior construction techniques as Snowy River, as well as a 3.5T independent coil trailing arm suspension which provides a smoother ride over corrugated tracks without compromising the stability and control of the RVs. As of the Latest Practicable Date, all our NEWGEN RVs were only sold through our JV stores operated by our 51%-owned subsidiary, Leisure Lion.

As of June 30, 2024, NEWGEN offered the NG series comprising 17 models. The following table sets out specifications of the models under the NG series.

Model	Launch Time	Size[1]	Sleeps up to	List Price as of June 30, 2024[2]	
		(mm)		(A$ in thousands)	(Equivalent to RMB in thousands)
NG					
NG13	October 2020	L6530*W2390*H3160	2	56.4	255.0
NG15	June 2020	L7135*W2390*H3160	2	58.2	263.1
NG17	August 2019	L7805*W2390*H3160	2	66.4	300.2
NG18	December 2019	L8045*W2390*H3160	2	70.9	320.5
NG18R	December 2019	L8045*W2390*H3160	2	68.2	308.3
NG18F 2 Bunks	December 2021	L8045*W2390*H3160	4	70.9	320.5
NG19	August 2019	L8355*W2390*H3160	2	71.8	324.6
NG19R	January 2020	L8405*W2390*H3160	2	71.8	324.6
NG19S	September 2019	L8455*W2390*H3260	2	80.0	361.6
NG20	January 2021	L8655*W2390*H3160	2	72.7	328.6
NG20SR	March 2023	L8755*W2390*H3260	2	81.8	369.8
NG21F	November 2020	L8755*W2390*H3160	5	75.4	340.8
NG23	March 2020	L9585*W2390*H3160	2	81.8	369.8
NGB19	May 2024	L7717*W2390*H2967	2	68.6	310.1
NGB20	May 2024	L8017*W2390*H2967	2	71.6	323.7
NGB21F	May 2024	L8317*W2390*H2967	4 or 5	75.6	341.7
NGB21S	May 2024	L8317*W2390*H2967	2	77.1	348.5

Notes:

1 Measured by external body measurement.

2 The final retail price equals to list price plus customization fee, which typically ranges from approximately 5.0% to 10.0% of the list price.

The following table sets forth a breakdown of our sales volume and average selling price by brands for the periods indicated.

	For the year ended December 31,									For the six months ended June 30,		
	2021			2022			2023			2024		
	Sales volume	Average selling price	Average selling price	Sales volume	Average selling price	Average selling price	Sales volume	Average selling price	Average selling price	Sales volume	Average selling price	Average selling price
	(Unit)	(A$ in thousands)	(Equivalent to RMB in thousands)	(Unit)	(A$ in thousands)	(Equivalent to RMB in thousands)	(Unit)	(A$ in thousands)	(Equivalent to RMB in thousands)	(Unit)	(A$ in thousands)	(Equivalent to RMB in thousands)
Sales of RVs												
— Snowy River	1,066	45.3	218.8	1,752	49.2	229.8	2,165	54.2	254.1	1,234	57.9	271.6
— Regent	131	55.4	267.9	173	61.0	285.2	275	65.4	306.7	78	72.4	339.9
— NEWGEN	133	47.0	227.2	202	48.8	228.1	254	64.0	300.1	115	65.4	306.8
Total	1,330	46.5	224.5	2,127	50.1	234.2	2,694	56.2	263.8	1,427	59.2	278.1

The average selling price of our RVs increased steadily from approximately A$46,500 (equivalent to RMB224,500) in 2021 to approximately A$59,200 (equivalent to RMB278,100) for the six months ended June 30, 2024, reflecting a consistent upward trend, primarily attributable to the following key factors. First, we have been continuously broadening our collection of RVs by introducing more high-end RV models, which has resulted in a natural shift toward higher-priced products. Additionally, the higher proportion of our retail sales of RVs through self-owned stores and JV stores compared to sales to dealers at wholesale prices, which are generally lower than retail prices, also drives this increase. Furthermore, the impact of inflation during this period contributed to upward price adjustments across our product range.

PRODUCT DEVELOPMENT AND INNOVATION

We believe that our success is attributable to our strong product development capabilities. For this reason, we have increasingly dedicated a substantial amount of resources to strengthen our product development and technology. For the three years ended December 31, 2023 and for the six months ended June 30, 2024, we incurred R&D expenses of RMB2.8 million, RMB5.1 million, RMB8.0 million and RMB5.6 million, respectively. As of June 30, 2024, our product development and technology team consisted of 44 members.

We have been continuously rejuvenating and broadening our product collection. In addition to periodically launching new models, we continuously upgrade and rejuvenate our existing product collection by incorporating interior and exterior upgrades to our RVs, based on market research and customer feedback. During the Track Record Period, we developed and launched nine new models under Regent and four new models under Snowy River and upgraded 13 models under Snowy River. We are committed to continuously introducing new models to attract new customers with different needs, generate repurchase from existing customers and expand our product collection.

Furthermore, we expect to launch hybrid off-road towable RVs and motorized RVs first in Australasia by the end of 2024 and eventually roll out our RV collections in the European and Canadian markets. In particular, we plan to release six models of hybrid off-road towable RVs under Snowy River in the fourth quarter of 2024, with lengths varying from 13 to 16 feet. These hybrid towable RVs combine the compactness of a camper trailer with the convenience and comfort of a caravan, featuring off-road toughness suitable for adventurous travels. Our new models will cater to both couples and young families, providing versatile and comfortable options for various travel needs. Additionally, we plan to release three models of motorized RVs under Snowy River in the fourth quarter of 2024, with each model built on a different chassis. These motorized RVs, typically designed for two to three occupants, are manufactured through the conversions of delivery van type vehicles, which can be driven with a standard car license. To give a fuller coverage of our products, our upcoming models aim to capture this market segment by providing reliable and well-equipped products to customers.

Our Towable ERV Model in the Pipeline

We are currently developing a trailblazing model of towable ERV. As of the Latest Practicable Date, we had finalized the production plan and the 3D design of our towable ERV model. We anticipate commencing delivery of these ERV models in Australasia by the first quarter of 2025. Our towable ERV models are designed using rigorous automotive manufacturing processes:

- ***Efficient Towing.*** The towing of our ERV models is safe and smooth, whether the owners are towing with a gas vehicle or an electric vehicle. Incorporating innovative technology to advance the RV industry toward sustainability, we have developed new self-propelled caravan that provides the necessary power to assist the towing vehicle. This significantly alleviates range anxiety associated with ERV towing. We employ an all-aluminum frame construction to enable a lightweight composite with sustainable materials, along with a dual-motor active propulsion assist system to power the ERV.

- ***Smart power.*** We adopt a regenerative braking energy recovery system to charge the ERVs along the drive. In addition, our towable ERV models are equipped with solar energy systems, converting solar-powered energy into super-charged power, introducing energy versatility with multiple ways to use and share power. In addition to typical EV battery, we also equip our towable ERV models with integrated solar charging system, allowing for self-charging on the go or when parked.

- ***Intelligence.*** Our towable ERV models feature the magic hitch, allowing automatic sight, alignment, and hitching of the RV. Furthermore, they come equipped with remote control functionality, allowing owners to reverse, park, and position the towable RVs automatically.

Product Development Cycle

We have established a highly structured cycle to govern the launch of new products, which is centered around various key decision nodes. The cycle begins with a market analysis conducted by the marketing department to identify potential market opportunities, estimate sales potential, and monitor and analyze the performance of industry peers. Following the market analysis, our manufacturing team in China closely collaborates with the sales and marketing team in Australasia to develop the layout of new products tailored to the needs of our potential customers in the local markets. Once we complete all engineering calculations, we design the molds required to produce the fiberglass components and assemble the initial prototype for our new models. After our prototype models pass internal quality control, we begin planning for full-scale production. We have been continuously evolving our offerings by selectively introducing new additions, withdrawals outdated models, and implementing modifications to align with the ever-changing needs of consumers and the marketplace. Our product development cycle for a new RV model typically takes 12 months.

The flow chart below illustrates the major phases of our product development cycle:

Market Analysis

At the initial stage of our product development process, we make product innovation and improvement plans based on market trends and our business strategies. Our marketing team plays a crucial role in our market analysis. It is responsible for identifying potential market opportunities, estimating the potential sales volumes associated with these opportunities and monitoring and analyzing the activities of our competitors. Our marketing team interacts closely with our customers, dealers and our after-sales service team to monitor the feedback from customers and evaluates the actual performance of our products and services compared to their targets, in order to identify areas of improvement for our products and customer experience.

Our marketing team compares our product positioning to areas of emerging customer demand in order to identify potential gaps in our product collection. This approach helps us to ensure that our product collection covers all areas of identified demand, while minimizing product overlaps both within and across our brands. Our marketing team also regularly monitors the product offerings and activities of our competitors in order to provide us with early warnings of product innovations or other actions that may threaten our competitive position. We believe this helps us to continue offering customer value propositions characterized by high quality, refined design solutions and excellent technical performance.

Preliminary Design

Following the initial concept generation, a preliminary feasibility study evaluates the required investment, serving as the basis for determining whether to proceed with the development or not. Once we make a preliminary decision to proceed with the development of a new model, we carry out design development in close coordination with the project manager of the brand and in compliance with the technical parameters determined by relevant laws and regulations. We generally conduct the design development in-house at our product development and technology center. All our RVs are designed using the state-of-the-art 3D modeling computer-aided design software, complemented by finite element analysis (FEA). FEA is a sophisticated computerized method that accurately predicts how a product reacts to real-world forces, including vibration, heat and other physical elements.

Production of Molds and Prototype Assembly

Once we complete all engineering calculations, we design the molds required to produce the fiberglass components of the prototype using highly qualified workforce with specialized skills. After assembly, we test the prototype for compliance with all technical and financial parameters and regulatory and certification requirements.

Production and Supply Chain Planning

After our prototype models passed internal quality control, we begin planning for full-scale production. Our industrial engineering team charts and optimizes all the steps required for production and assembly, defines the bill of materials (i.e., the list of all raw materials, components and sub-assemblies used in the production of the new design model), and organizes a dedicated supply chain within our overall production process.

PRODUCTION

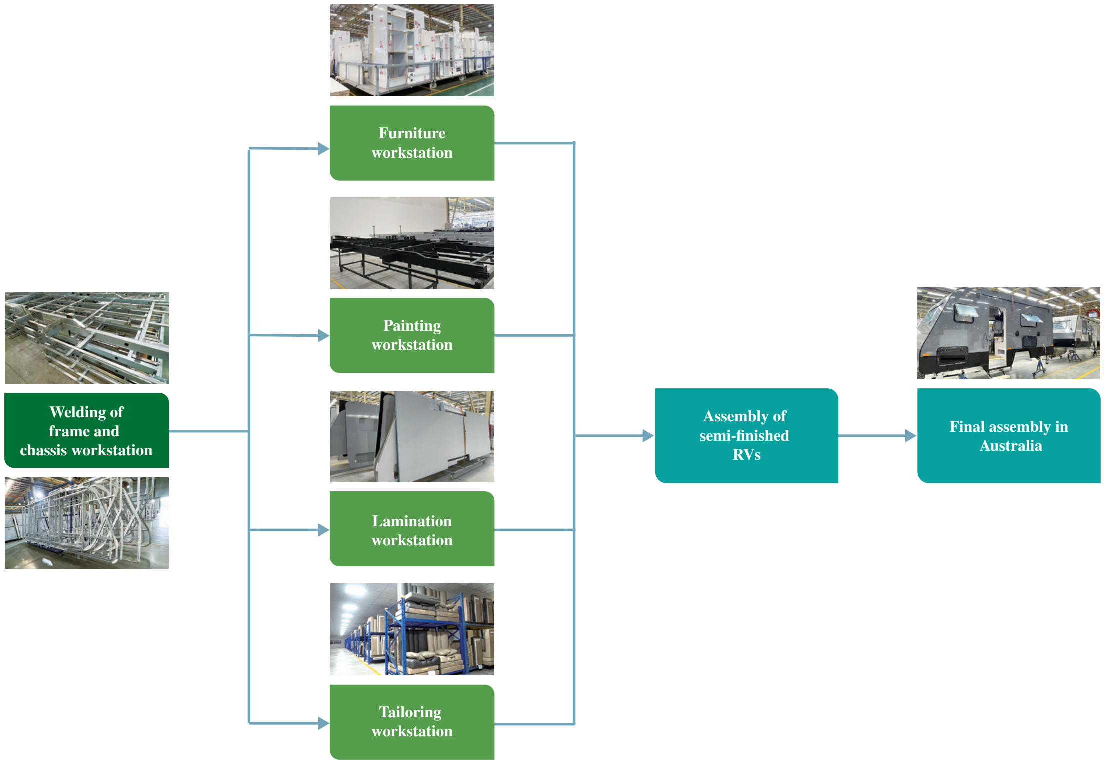
Production Process and Facilities

Production Process

Our production philosophy centers around product quality, continuous improvement, flexibility, advanced automation and high operating efficiency. We possess proprietary knowledge to produce RVs, from the production of frames and chassis to the final assembly and testing. Moreover, we are continuously optimizing our production techniques. Wedding our proprietary knowledge with our techniques in production from all aspects supports our control over the components and quality of our RVs throughout the production process.

Our production cycle for each of our RV brands starts in our production facilities in Zhejiang, China and finishes in our final assembly lines in Melbourne, Australia. The entire production process requires approximately 12 weeks, excluding the delivery time transporting the close-to-final towable RVs to the final assembly lines in Australia.

The diagram below sets forth the key stages and sub-stages of the production cycle of our RVs:



We build our RVs completely in-house. 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 play a crucial role in the final assembly of our RVs. The process starts with cutting, welding and assembling steel metals to form the "skeleton," or frame and chassis, of our RVs. This work takes place at a single workstation, after which all material is transported to the painting workstation for spraying and painting.

Concurrently, our staff proceeds to build the interior floors, ceilings, walls and wooden fixtures at our furniture workstation and production of upholstery at our tailoring workstation. Our staff also proceeds with the production of sandwich panels to be welded with the frame to form the exterior of our RVs. Once we finish building the exteriors, highly skilled artisans install all furniture and decorations, which are then delivered to our site in Australia for final assembly.

Suppliers and Procurement

We purchase certain of the RV components and raw materials from third-party suppliers, which we believe affords us with greater scalability and flexibility while complementing customization options. Specifically, critical RV components include electric appliances, axles, fiberglass panels and wiring harnesses, and key raw materials include steel, aluminum and electrical wire. We primarily procure these materials domestically within China. However, we retain production of components and assembly in-house whenever we have an interest in preserving or developing the know-how or whenever we believe that outsourcing would impair the efficiency and flexibility of our production process (such as our frames and chassis). We regularly monitor for and maintain a list of alternative suppliers to ensure the stability and quality of our supply chain.

We have stringent procedures and screening criteria to select our suppliers. Before we on-board a new supplier, we evaluate various aspects, including its quality control and management, qualifications, R&D capability, pricing and results of on-site inspection and only those who meet our requirements are qualified as our approved suppliers. We periodically review the performance of our existing suppliers and evaluate the necessity and benefit of engaging additional suppliers to produce our RVs. In addition, we have a dedicated quality assurance team to regularly conduct on-site inspections at the sites of our suppliers to perform inspections. We have a relatively low reliance on any single source supplier. Our individual suppliers typically provide a limited range of items, such as tires, and there are alternative suppliers for these items in the market.

During the Track Record Period and as of the Latest Practicable Date, none of our suppliers had committed any material breach of our contractual terms, and we did not have any material dispute with our suppliers.

Set forth below are key contractual terms in our agreements with our suppliers:

- ***Contractual period:*** The term of the agreements is typically one year.

- ***Orders placement:*** We place orders with suppliers, specifying the time of delivery and quantity in need. The suppliers need to execute the order strictly in accordance with the quantity, unit price, delivery date, and delivery location in accordance with the order.

- ***Products quality and inspection:*** Our agreements with suppliers include various terms that require them to comply with our and Australian federal quality control standards. We perform on-site inspection on raw materials upon their delivery, to ensure product quality.

- ***Product defects and returns:*** Our suppliers are obligated to repair the components supplied within the quality assurance period specified in the agreements and compensate us for losses arising from such defects. However, any products sold overseas will not be returned to our suppliers for repair and our suppliers are obligated to directly compensate us for losses arising from such defects.

- ***Quality deposit:*** Our suppliers are typically required to deposit with us 2% of the total purchase value for quality assurance. We return the quality deposit back to our suppliers typically one month after the expiration of the agreements.

- ***Payment:*** We generally pay our suppliers within 30 to 90 days after receiving the invoice for the raw materials that we have inspected and accepted.

- ***Default:*** Our suppliers shall pay us liquidated damages for any shortage or delayed delivery of raw materials.

Production Facilities and Assembly Lines

We produce our RVs in three production facilities and assembly lines. The following table summarizes the key characteristics of each of our production facilities and assembly lines as of June 30, 2024:

Production Facilities/ Assembly line	Location	Approximate Total Site Area (sq.m.)	Production Stages Involved
Zhejiang Site	Zhejiang, China	47,567	Sheet metal welding; laminating and painting; furniture production and other customization work; Pre-assembly
Stanley Site	Melbourne, Australia	14,251	Final Assembly (including customization work and quality control for local compliance purposes)
Union Site	Melbourne, Australia	16,320	Final Assembly (including customization work and quality control for local compliance purposes)

The following table sets forth the maximum unit of production, actual unit of delivery and utilization rate of our production facilities during the Track Record Period:

	Year ended/As of December 31,									Six months ended/As of June 30,		
	2021			2022			2023			2024		
	Max Unit of Production[1]	Actual Unit of Delivery[2]	Utilization Rate	Max Unit of Production[1]	Actual Unit of Delivery[2]	Utilization Rate	Max Unit of Production[1]	Actual Unit of Delivery[2]	Utilization Rate	Max Unit of Production	Actual Unit of Delivery	Utilization Rate
	(RMB in million, except for percentage)											
Zhejiang Site	4,000	1,801	45%	4,000	2,236	56%	4,000	3,063	77%	4,000	1,541	N/A
Australia Sites	2,000	1,330	67%	3,000	2,127	71%	4,000	2,694	68%	4,000	1,427	N/A

Notes:

(1) The maximum annual production capacity of our Zhejiang Site is based on the maximum number of towable RVs that our facilities can produce under relevant government approval during the relevant period. The maximum annual production capacity of our Australia sites is based on the area of our assembly lines in square meters. The increase in the maximum annual production capacity of our Australia sites during the Track Record Period was due to the addition of the Union Site in Melbourne, allowing us to expand our capabilities to accommodate future business growth and increasing customer demands.

(2) Actual units of delivery are based on the number of RVs delivered during the relevant period.

Quality Control and Assurance

We have adopted a uniform quality system across all our brands and design models, which enables our management to monitor our production activities through multiple key performance indicators and to take prompt corrective action whenever necessary.

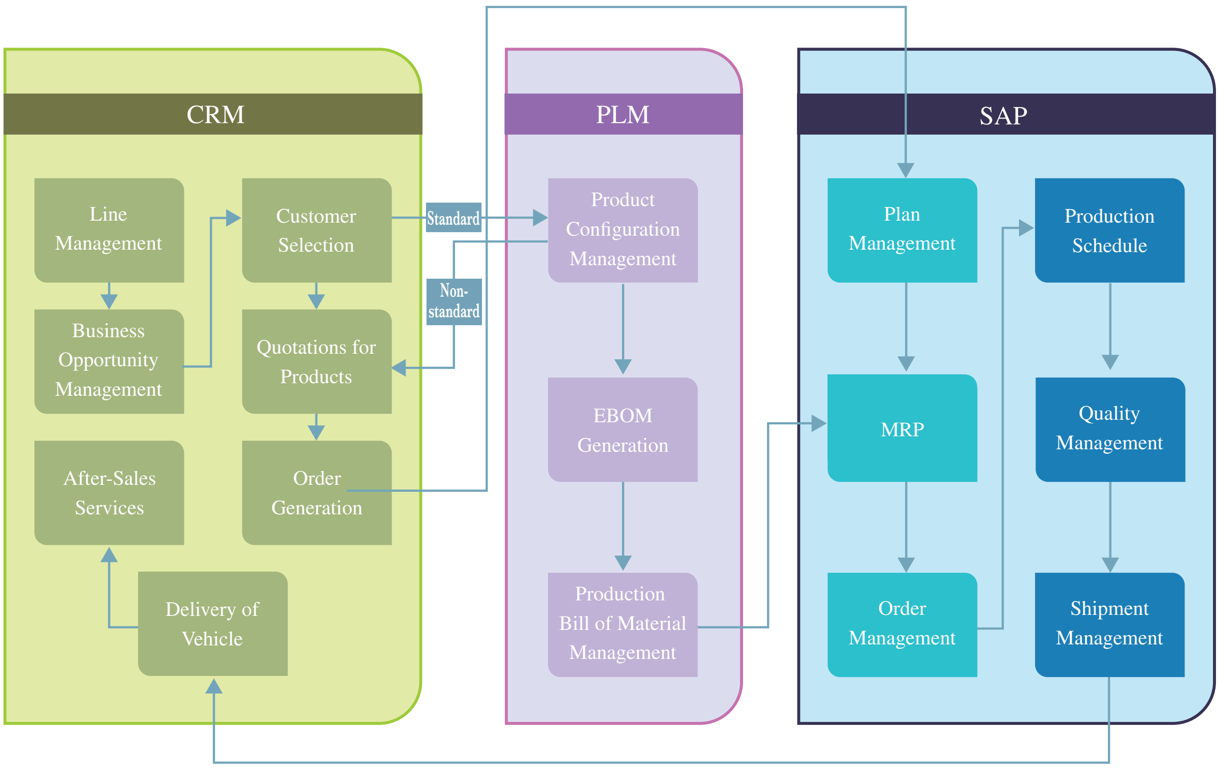
Our quality control process comprises three principal phases. The first phase involves the testing and inspection of the raw materials used in our production cycle as well as the rigorous evaluation of all suppliers. The second phase involves inspections of semi-finished products, such as the frames, chassis, furniture and fittings, used in our production cycle to ensure that they conform to our specifications before we accept delivery. We monitor each step of our own production processes based on detailed assessment plans, with re-verification of all materials prior to their installation on a RV and additional testing of certain critical processes and components. The final phase serves to confirm the correct assembly and operation of all appliance and interior fittings before the RV leaves the production facilities in China. We also use this feedback to adjust our production process to rectify any manufacturing defects that may have emerged or been identified.

With respect to quality assurance, a team is appointed to monitor the product design and production processes, ensure our compliance with the Australian Road Vehicles Standard Act, identify potential areas for improvement and take actions for continuous optimization.

INFORMATION TECHNOLOGY SYSTEMS

To execute and harmonize with the high degree of customization of our RVs, cooperating with established software developers, we have built an advanced and comprehensive technology system, which lays the foundation for our efficient business development and connects every chain of our business operations including, mainly, order management, supply chain management, production management and after sales services. To this end, we have integrated (i) customer relationship management (CRM) system, (ii) product lifetime management (PLM) system, and (iii) systems applications and products (SAP) system, enabling us to promptly retrieve and analyze operational and financial data, including procurement, sales, inventory and customers, on a real-time basis.

The diagram below sets forth the major functions of our information technology systems:



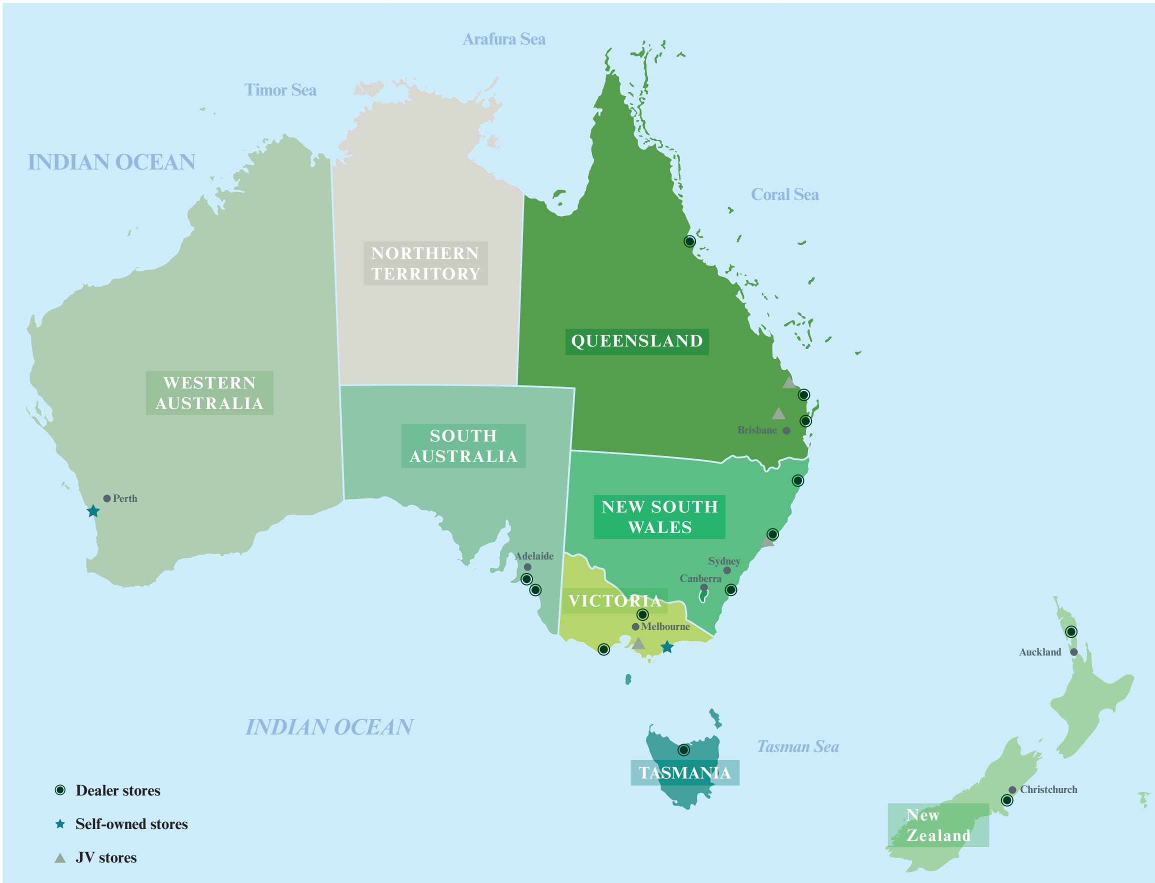
- ***CRM System.*** We have designed and established a centralized customer relationship management center to collect basic customer information, generate order specifications, and estimate build prices based on the degree of customization of our customers. Customer orders submitted through our websites, during car shows or in physical stores are aggregated and processed on our CRM system. In addition, once we receive orders, we utilize the customers' postcodes to connect them with their nearest dealers for consultation and RV customization. Our CRM system also manages after-sales services, including repairs and warranties for RVs left our facilities.

- ***PLM System.*** Through the PLM system, we have built and maintained a standardized and well-regulated product database and an online design specification system for promoting the efficiency of our product customization process. Our PLM system manages all of the information and processes at every step of the RV production cycle across our supply chain, including management of data from items, parts, products, documents, requirements, engineering change orders, and quality workflows. Once the order information enters our PLM system, the engineering bill of materials (EBOM) will generate a list of the raw materials and components required based on the specific order information. In June 2024, we expect to further enhance the efficiency, accuracy and responsiveness of our PLM system through upgrading key aspects such as product design data management, bill of materials (BOM) management, product configuration management and project management. Furthermore, in line with our customer-to-manufacturer strategy, we will streamline the process of receiving order information from our CRM system by 2024 and automatically transmitting such information to production BOMs in our PLM system, aiming to further improve our efficiency of production management.

- ***SAP System.*** At the core of our technology capabilities is our central internal management system, which enables every department to access and share common data to enhance cooperation across our business. The SAP system effectively manages our order information from customers and controls production planning, order management, quality control and logistic managements through information collected across various departments. Our SAP system assists us in planning and managing our inventory and raw materials. The SAP system delivers real-time information of inventories and raw materials, providing our management team with clear visibility on the data.

SALES AND DISTRIBUTION

We market our RVs and interact with customers through a dynamic, multifaceted sales and distribution network across Australasia. As of June 30, 2024, our sales and distribution network of 19 stores in total comprised: (i) a robust and extensive network of 13 third-party dealer stores in Australasia, enhancing our sales coverage and market penetration; (ii) two self-owned stores in Australia alongside online official websites, ensuring direct local presence, fostering connection with our clientele, and acquire invaluable market insights firsthand; and (iii) four JV stores with our JV partners, allowing us to expand our sales and distribution network while mitigating substantial overhead costs. 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. We believe that our sales and distribution strategy allows us to effectively reach customers across Australasia while optimizing our investment in sales infrastructure and maximizing flexibility in sales coverage. According to Frost & Sullivan, it is consistent with industry norm for providers of RV products to engage dealers in order to take advantage of their knowledge in relation to local marketing practices and consumer preferences.



	QUEENSLAND	NEW SOUTH WALES	VICTORIA	SOUTH AUSTRALIA	WESTERN AUSTRALIA	TASMANIA	NEW ZEALAND
Dealer stores	3	3	2	2	-	1	2
Self-owned stores	-	-	1	-	1	-	-
JV stores	2	1	1	-	-	-	-
Total	**5**	**4**	**4**	**2**	**1**	**1**	**2**

We sell RVs through a multifaceted sales and distribution network of 19 stores comprising three distinct channels: third-party dealer stores, JV stores, as well as our self-owned stores operated by Snowy River RV Company.

Direct seller-buyer model — We typically have a direct seller-buyer relationship with the third-party dealers (in connection with the dealer stores), the JV dealers (in connection with the JV stores) and Snowy River RV Company (in connection with our self-owned stores). These stores then sell RVs to end customers and collect payments directly from end customers.

Note:

(1) Sales channel operators consist of (i) Snowy River RV Company, which operates our self-owned stores, (ii) third-party dealers, and (iii) JV dealers.

Financing model — Alternatively, we also collaborate with our Financing Partner to provide financing options to all three types of our sales channel operators, whereby the Financing Partner provides financing to these sales channel operators to acquire inventories of our Regent RVs and Snowy River RVs through comprehensive floor-plan finance arrangement. See "— Financing Arrangements" for further details.

We offer a made-to-order service across all our RVs, allowing owners to personalize various aspects of their RV. End customers place orders with our sales channel operators after conducting initial consultation. The sales channel operators then complete order configuration forms reflecting a variety of specifications and the end customers' design selections, including varying floor layouts, interior and exterior colors and many other features. We commence production of the ordered RV after receiving the final confirmation from our sales channel operators. Customization requests from end customers are predominantly managed and handled by us during the manufacturing process. However, for enhancements that do not involve structural changes to the RV, such as the installation of solar panels, our sales channel operators are equipped and qualified to carry out these nonstructural modifications. Our average order fulfillment period for our sales channel operators was six months.

Under the direct seller-buyer model, the sales channel operators are required to make full payments to us within 21 days when the ordered RVs are dispatched from our final assembly lines in Australia. Under the financing model, the Financing Partner is required to make full payments to us within 21 days from the date of our invoices, which are sent before our delivery of the ordered RVs from the final assembly lines in Australia to the sales channel operators. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material delay in payments from our sales channel operators.

In addition, sales channel operators typically require the RV purchasers to make a down payment (generally not more than 10% of the final retail price) to the sales channel operators. Pursuant to the standard sales contracts, in the event that an end customer cancels their order, the sales channel operators have the right to terminate the sales contract and retain the down payment. During the Track Record Period, in the rare event that the RV purchasers canceled their orders, we had good faith discussions with the sales channel operators to either convert a canceled order into another order that the sales channel operators needed to make as part of their day-to-day business needs or convert the order into a stock display RV. As such, we did not incur any material losses in connection with order cancellation during the Track Record Period.

The following table sets forth a breakdown of our revenue from sales of RVs by sales model, both in absolute amount and as a percentage, for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2021		2022		2023		2023		2024	
							(Unaudited)			
	(RMB in thousands, except for percentages)									
Direct seller-buyer model	298,586	100.0%	485,429	97.5%	627,779	88.3%	272,771	88.1%	385,725	97.2%
Financing model	—	—	12,687	2.5%	82,968	11.7%	36,755	11.9%	11,169	2.8%
Total	298,586	100.0%	498,116	100.0%	710,747	100.0%	309,526	100.0%	396,893	100.0%

We introduced the floor-plan financing option in 2022. Our revenue generated from sales of RVs through financing model increased from RMB12.7 million in 2022 to RMB83.0 million in 2023, primarily due to the increase in sales volume of RVs through financing model from 51 units in 2022 to 331 units in 2023, which was in line with our business growth. Our revenue generated from sales of RVs through financing model decreased from RMB36.8 million for the six months ended June 30, 2023 to RMB11.2 million for the six months ended June 30, 2024, primarily because one large dealer of ours chose to explore other financing institutions, which resulted in the reduced utilization of our floor-plan financing arrangements.

The following table sets forth a breakdown of our gross profit and gross profit margin from sales of RVs by sales model for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2021		2022		2023		2023		2024	
	Gross Profit	Gross profit margin	Gross Profit	Gross profit margin	Gross Profit	Gross profit margin	Gross Profit	Gross profit margin	Gross Profit	Gross profit margin
							(Unaudited)			
	(RMB in thousands, except for percentages)									
Direct seller-buyer model	49,755	16.7%	80,215	16.5%	162,375	25.9%	63,095	23.1%	125,524	32.5%
Financing model	—	—	1,957	15.4%	17,146	20.7%	8,286	22.5%	2,138	19.1%
Total	49,755	16.7%	82,172	16.5%	179,521	25.3%	71,381	23.1%	127,662	32.2%

Our gross profit margin for direct seller-buyer model remained relatively stable at 16.7% and 16.5% in 2021 and 2022, respectively, and then increased to 25.9% in 2023. This trend is generally consistent with the trend in our overall gross profit margin for sales of RVs for the same periods, given the minimal revenue contribution of the financing model in 2022 and the limited financial impact of the financing model on gross profit margin on a per-unit basis. Our gross profit margin for direct seller-buyer model increased from 23.1% for the six months ended June 30, 2023 to 32.5% for the six months ended June 30, 2024, primarily due to a higher proportion of retail sales through direct seller-buyer model.

Our gross profit margin for financing model increased from 15.4% in 2022 to 20.7% in 2023, which was generally consistent with the upward trend in our overall gross profit margin for sales of RVs for the same periods. Compared to the direct seller-buyer model, our financing model has a relatively lower gross profit margin primarily due to (i) the additional expenses we incurred under the financing model that were recognized as a reduction in revenue, and (ii) the higher proportion of retail sales for direct seller-buyer model. Our gross profit margin for financing model decreased from 22.5% for the six months ended June 30, 2023 to 19.1% for the six months ended June 30, 2024, primarily due to an increase in our financing costs resulting from the extended number of days of interest paid by us under the floor-plan financing arrangements.

Dealer Stores

When we sell through dealer stores, we have a seller-buyer relationship with our dealers. We do not retain ownership over the RVs that we sell to the dealers once we receive the full payment from the dealers. All significant risks and insurance responsibilities associated with these RVs will pass to the dealers immediately when the RVs are dispatched from our production facilities for final assembly located in Australia. Accordingly, we recognize revenues from sales to our dealers upon delivery of our RVs to and acceptance of the same by them. In addition, our dealers are provided with an option for the floor-plan finance arrangement offered by our Financing Partner. Under such financing arrangements, the Financing Partner pays us for these funded RVs, sold to our dealers who in turn sell the RVs to end customers. Dealers then fulfill their obligations directly to the Financing Partner according to agreed-upon financing terms. See "— Financing Arrangements" for further details.

When we sell through our dealers, we do not have any contractual relationships with their end customers, and such relationships are not subject to our control or oversight. The dealers undertake certain responsibilities to us under the dealership agreements. For instance, according to the dealership agreements, the dealers shall use their best endeavors to sell RVs at the recommended list prices specified in the price lists published by us from time to time, allowing us to apply reasonable and transparent market prices with consistent and high quality products uniformly. We maintain transparency with both our dealers and end customers by openly displaying all recommended prices on our corporate website. We also feature a "Build Your Dream" tool on our website, where customers can customize their RVs and see the recommended prices populated automatically. Customers can use this quote as a benchmark when negotiating with dealers, ensuring they have a reference to the recommended retail price. Additionally, every dealer receives a detailed price list with both wholesale and recommended retail prices for all RV models and accessories, and we encourage them to align with suggested pricing. Although we cannot directly mandate pricing practices by dealers, the competitive market dynamics among dealers help keep the pricing consistent and fair.

As of June 30, 2024, we had 11 third-party dealers, all of which, except for our JV partner, Green RV, were independent third parties. For the three years ended December 31, 2023 and for the six months ended June 30, 2024, revenues generated from sales of RVs through our dealers were approximately RMB298.6 million, RMB472.8 million, RMB581.6 million and RMB252.5 million, representing 100.0%, 94.9%, 81.8% and 63.6% of our revenues generated from sales of RVs, respectively.

The following table sets forth a breakdown of our revenues from sales of RVs by distribution channels for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2021		2022		2023		2023		2024	
							(Unaudited)			
	(RMB in thousands, except for percentages)									
Sales to dealers	298,586	100.0%	472,834	94.9%	581,632	81.8%	268,175	86.6%	252,513	63.6%
Direct sales										
— Via self-owned stores	—	—	25,282	5.1%	100,769	14.2%	41,351	13.4%	76,302	19.2%
— Via JV stores(1)	—	—	—	—	28,346	4.0%	—	—	68,079	17.2%
Total	298,586	100.0%	498,116	100.0%	710,747	100.0%	309,526	100.0%	396,893	100.0%

Note:

(1) We have conducted sales of RVs through JV stores since we opened our first JV store operated by Leisure Lion in Queensland, Australia in 2020. As of June 30, 2024, we had a total of four JV stores: three were operated by Leisure Lion, comprising one opened in 2020 and two in 2023; and one opened in 2023 and operated by United RV. See "Business — Sales and Distribution — Self-owned Stores and JV Stores" for more details. Leisure Lion, initially an equally-owned joint venture, subsequently became our 51%-owned subsidiary in September 2023. United RV has been our subsidiary since its incorporation. Accordingly, with respect to the JV stores operated by Leisure Lion, we recognized revenue from sales of RVs as revenue generated from sales to dealers for 2021, 2022, and the period in 2023 when Leisure Lion remained as our equally-owned joint venture. After Leisure Lion became our subsidiary in September 2023, revenue was recorded as revenue generated from direct sales via JV stores. As a result, no revenue was recorded from direct sales via JV stores in 2021 and 2022 despite our first JV store being established in May 2020. With respect to the JV store operated by United RV, which was opened in 2023, revenue was recorded as revenue generated from direct sales via JV stores.

The following table sets forth a breakdown of our gross profit and gross profit margin from sales of RVs by distribution channels for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2021		2022		2023		2023		2024	
	Gross Profit	Gross profit margin	Gross Profit	Gross profit margin	Gross Profit	Gross profit margin	Gross Profit	Gross profit margin	Gross Profit	Gross profit margin
							(Unaudited)			
	(RMB in thousands, except for percentages)									
Sales to dealers	49,755	16.7%	73,235	15.5%	127,451	21.9%	55,133	20.6%	63,659	25.2%
Direct sales										
— Via self-owned stores	—	—	8,937	35.3%	40,820	40.5%	16,248	39.3%	34,196	44.8%
— Via JV stores	—	—	—	—	11,250	39.7%	—	—	29,807	43.8%
Total	49,755	16.7%	82,172	16.5%	179,521	25.3%	71,381	23.1%	127,662	32.2%

The trend in our gross profit margin for sales of RVs through the respective distribution channels was generally consistent with that in our overall gross profit margin for sales of RVs for the same periods. This trend was primarily affected by the following factors that also drive our overall gross profit margin: (i) a higher degree of customization which typically yields higher gross profit margin, (ii) increases in list prices of our RVs as a result of interior and exterior upgrades and rejuvenation to our RV models, and (iii) the impact of the higher shipping and handling expenses in 2022 as a result of the COVID-19 pandemic.

Moreover, we conduct retail sales of RVs through self-owned stores and JV stores at relatively higher retail prices compared to the wholesale prices for dealers, because as a natural practice for dealership operations, the wholesale prices for dealers factor in a discount to the retail prices, allowing dealers to sell the RVs at a profit. As a result, both the direct sales via self-owned stores and JV stores achieved higher gross profit margins compared to the sales to dealers.

The following table sets forth the movement in the number of our dealers for the periods indicated.

	For the year ended December 31,			For the six months ended June 30,
	2021	2022	2023	2024
Number of dealers at the beginning of the period	7	7	9	11
Addition of new dealers	0	2	3	0
Termination of existing dealers	0	0	1	0
Number of dealers at the end of the period	7	9	11	11
Turnover rate of dealers	0%	0%	11.1%	0%

Note:

(1) Turnover rate is calculated by dividing the number of termination of existing dealers for a given year/period by the number of dealers present at the beginning of that year/period.

The following table sets forth the movement in the number of our dealer stores for the periods indicated.

	For the year ended December 31,			For the six months ended June 30,
	2021	2022	2023	2024
Number of dealer stores at the beginning of the period	7	9	11	13
Addition of new dealer stores	2	2	3	0
Termination of existing dealer stores	0	0	1	0
Number of dealer stores at the end of the period	9	11	13	13
Turnover rate of dealer stores	0%	0%	9.1%	0%

Note:

(2) Turnover rate is calculated by dividing the number of termination of existing dealer stores for a given year/period by the number of dealer stores present at the beginning of that year/period.

During the Track Record Period, we terminated the collaboration with one dealer who operated one dealer store, since the dealer had permanently closed its store. In 2021, 2022 and 2023 and for the six months ended June 30, 2024, the revenue contribution from this dealer store was A$13.0 million (equivalent to RMB62.0 million), A$19.4 million (equivalent to RMB92.4 million), A$7.7 million (equivalent to RMB36.7 million) and nil, respectively. As the store permanently closed after selling its entire inventory of RVs, we did not repurchase any unsold units from such dealer.

The following table sets forth the key operating data of our dealer stores in operation as of June 30, 2024.

No.	Dealer store	Dealer	RV brand	Location	Time of commencement of operations
1.	Green RV — Forest Glen	Green RV	Regent Snowy River	Queensland, Australia	2015
2.	Green RV — Tanah Merah	Green RV	Regent Snowy River	Queensland, Australia	2021
3.	Auswide Caravans — South Nowra	Auswide Caravans & RV's Pty Ltd	Regent Snowy River	New South Wales, Australia	2016
4.	Dario Caravans St. Marys	Intuitive Sales Pty Ltd	Snowy River	South Australia, Australia	2017
5.	Dario Caravans Pooraka	Intuitive Sales Pty Ltd	Snowy River	South Australia, Australia	2019
6.	Sherriff Caravans	Westside Panels Pty Ltd	Regent Snowy River	Tasmania, Australia	2019
7.	Vanari Caravans	Vanari Caravans Limited	Regent Snowy River	New Zealand	2020
8.	Newcastle RV Super Centre	New Age Caravans Newcastle Pty Ltd	Regent Snowy River	New South Wales, Australia	2022
9.	ABCO Caravans	ABCO Caravan Services Pty Ltd	Snowy River	New South Wales, Australia	2021
10.	Regent RV Townsville (The Caravan Hub)	Townsville Caravan Repair Centre Pty Ltd	Regent Snowy River	Queensland, Australia	2022
11.	Great Ocean Road RV & Caravans (Warrnambool)	Great Ocean Road RV and Caravans Pty Ltd	Regent Snowy River	Victoria, Australia	2023
12.	Bendigo Caravan Group	Decas Victoria Pty Ltd	Snowy River	Victoria, Australia	2023
13.	CMG Campers	Euromarque Holdings Ltd	Regent Snowy River	New Zealand	2023

We enter into standardized dealership agreements with our dealers. Key terms of our dealership agreements include:

- ***Terms.*** An initial term of one year, renewable for an optional term of two to five years by mutual agreement of the parties.

- ***Designated geographic area.*** Our authorized dealers can only open the stores within the designated areas that are strategically analyzed and permitted by us, and their local advertising activities should be limited to specified distances.

- ***Supply of RVs.*** Dealers agree to act as our non-exclusive distributors and we undertake to fulfill orders received from the dealers for RVs within a reasonable time period; however, we shall not be liable in anyway for any loss incurred by the dealers if the delivery and/or making of the RVs fit for sale is delayed due to planning, production or logistic delays.

- ***Payment terms.*** Payment by our dealers must be made within 21 days from the date of the invoices.

- ***Sales target.*** We set annual sales targets for our dealers, which we use to monitor dealer performance and market evolution. From 2021 to 2024, the average annual sales target per dealer was approximately 156, 241, 277 and 319 units, respectively, which were determined with reference to the size of the dealer store, the geographic location of the dealer store, as well as the sales territory of the dealership.

- ***Working stock level.*** We set minimum stock holding of respective branded RVs for our dealers, subject to changes with our introduction of new models. Such RVs represent the displayed RVs that are customized to meet the specific requirements of our dealers, and the dealers bear the costs associated with displaying these RVs. The average annual minimum stock holding required for each dealer is approximately 44 units, depending on the dealer's annual sales target.

- ***Price management.*** Dealers agree to use their best efforts to sell RVs at the recommended list prices specified in the price lists published by us from time to time.

- ***Intellectual Property.*** We grant dealers a non-exclusive and royalty-free license to use trademarks, service marks, logo, trade names, business name, symbols or designs or color schemes for the sale and promotion of the RVs during the term of our agreement with dealers.

- ***Indemnity.*** Dealer agrees to keep us indemnified and save us harmless from and against all actions, proceedings, judgments, damages, claims, costs and expenses which may be suffered or incurred by us whether directly or indirectly as a result of the conduct of the dealer or the dealer's relations with its customers, the public or other third parties or occasioned wholly or in part by any act, neglect, default or omission by the dealer or its employees or otherwise its representatives. A similar indemnity is granted by us to the dealer. During the Track Record Period and as of the Latest Practicable Date, neither we nor dealers made any payments with respect to the indemnity obligation to the other party.

- ***Assignment.*** Dealers shall not sell, transfer or assign these dealership agreements.

- ***Confidentiality.*** Each of the parties undertakes not to disclose the other party's trade secrets or other business information to any third party.

- ***Termination.*** The dealership agreements may be terminated, among others, (i) by either party giving 90 days' written notice of its intention to terminate the agreements; (ii) by the non-defaulting party in the event of a material breach; or (iii) by either party in the case of winding up, liquidation, bankruptcy or insolvency of the other party.

- ***Disposal of RVs.*** Upon termination or expiration of the dealership agreements, we have the option to purchase all or some of the unsold RVs for the purchase price as agreed between the parties, but in any event not exceeding the original invoice price excluding freight, for the purposes of avoiding our RVs falling into receivership and further protecting our brand values.

During the Track Record Period and as of the Latest Practicable Date, we did not experience any breach of agreements, or any dispute or claim with any dealers, that had a material adverse impact on our business operations. During the Track Record Period, we did not invoke the aforementioned clause with respect to our option to purchase any unsold RVs from our dealers upon their termination or expiration of the dealership agreements.

In addition, we collaborated with two RV sales companies on a non-exclusive basis for approximately two years during the Track Record Period, providing additional sales channels through which we sold a small quantity of our RVs. However, we have since terminated these collaborations, considering factors such as their proximity to our existing or upcoming stores and past sales performance.

Dealer Management

We select our dealers based on their proven distribution abilities, familiarity with their own target markets, financial strength, credit records and scale of operations. We require all our dealers to possess all licenses and permits necessary for the sales and distribution of our products. Where a dealer breaches the relevant dealership agreement, including non-compliance with applicable laws and regulations, we will give the dealer a notice and require rectification. If no remedial action is taken within a prescribed time period, we will have the right to terminate the relevant dealership agreement. During the Track Record Period, we did not terminate our business relationship with any dealers due to their breach of their dealership agreements or their non-compliance with regulatory requirements.

In addition, we adopt a comprehensive set of national marketing initiatives to elevate our brand presence and drive product visibility through our extensive dealer network. We supply our dealers with an array of point-of-sale materials, including product brochures, flags and other branded items which can enhance in-store experiences. Furthermore, we actively support our dealers to participate in RV shows by providing financial assistance and deploying experienced sales personnel to aid in live product demonstrations and customer engagement. Other assistance aiming to bolster our dealers' marketing endeavors includes leads distribution through our corporate websites and social media channels, supplying dealers with ready-to-post content on social media, promoting dealership sales events and inviting our brand ambassador to dealership events.

From 2021 to 2023, we employed the following methods to gather inventory information. Our representatives carried out unscheduled visits to our sales channel operators to verify inventory levels and assisted with their specific needs. Our sales team also maintained regular communications with the sales channel operators to discuss inventory levels. Additionally, we can monitor the inventory levels of our sales channel operators through the floor-plan finance arrangements, as the sales channel operators may utilize the financing provided by our Financing Partner to acquire inventories of RVs. These measures collectively ensure that we had a grasp on the inventory levels of our sales channel operators, allowing us to maintain effective inventory management. Starting from 2024, we have implemented a comprehensive reporting system to monitor the inventory levels of our sales channel operators. This system enables us to receive up-to-date and accurate inventory information from our sales channel operators on a weekly basis. As of the Latest Practicable Date, the total amount of unsold inventory held by our sales channel operators was 662 units, of which 50 units were aged over one year.

Self-owned Stores and JV Stores

To accelerate the expansion of our brick-and-mortar sales and service network, we started to roll out JV stores in 2020 and established our self-owned stores in 2022. Our stores are strategically located in high-traffic areas, as we believe such locations effectively enhance brand visibility and attract customer traffic in a cost-efficient manner. Our self-owned stores integrate functions including display and sales, providing our customers with convenient, efficient and personalized purchasing experience. We ensure consistent treatment across all sales channels by maintaining arm's length transactions with our self-owned stores and JV stores. Furthermore, our self-owned stores and JV stores are provided with the same 21-day credit term as third-party dealers under the direct seller-buyer model. We seek to expand our sales and distribution network by establishing additional self-owned stores and JV stores in the future, taking account of macroeconomics, market conditions and our regional focus.

Additionally, 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. Our revenue generated from sales of pre-owned RVs was RMB8.7 million, representing nominal 1.2% of our total revenue, in 2023.

Our trade-in policy ensures an organized and transparent process for trading in and appraising pre-owned RVs. Eligible pre-owned RVs must be less than 10 years old, in good condition, and have a clear title with no outstanding liens or encumbrances. The trade-in price determination involves an initial estimation based on the basic information provided by customers, followed by a comprehensive inspection assessing the RV's condition, age, model, market demand and other relevant considerations. A service technician can help conduct mechanical evaluation if necessary. The final offer, based on our thorough inspection and appraisal, is approved by the stores' general sales managers.

The following image showcases our self-owned store located in Traralgon, Australia.

The following image showcases our JV store located in Melbourne, Australia.

The following table sets forth the number of our self-owned stores and JV stores as of the dates indicated.

	As of December 31,			As of June 30,
	2021	2022	2023	2024
Number of self-owned stores	0	1	2	2
Number of JV stores	1	1	4	4

The following table sets forth the key operating data of our self-owned stores in operation as of June 30, 2024.

No.	Self-owned store	RV brand	Location	Time of commencement of operations
1.	Regent RV Perth[1]	Regent Snowy River	Western Australia, Australia	2022
2.	Regent RV Traralgon	Regent Snowy River	Victoria, Australia	2023

Note:

(1) We have entered into a new five-year lease agreement starting from March 1, 2024, to secure an additional warehouse for displaying RVs as well as providing after-sales services.

The following table sets forth the key operating data of our JV stores in operation as of June 30, 2024.

No.	JV dealer	JV store	JV partner	Ownership held by the Company	RV brand	Location	Time of commencement of operations
1.	Leisure Lion	QLD Caravan Clearance Centre (Leisure Lion Gympie)	Green RV[1]	51%	NEWGEN	Queensland, Australia	2020
		Regent RV Toowoomba	Green RV[1]	51%	Snowy River Regent NEWGEN	Queensland, Australia	2023
		NEWGEN Caravans NSW (Morisset)[2]	Green RV[1]	51%	NEWGEN	New South Wales, Australia	2023
2.	United RV	Regent RV Frankston	Buyit RV Pty Ltd	51%	Regent Snowy River	Victoria, Australia	2023

Notes:

(1) Green RV is also our dealer. See "— Sales and Distribution — Dealer Stores" for more details.

(2) We have entered into a new five-year lease agreement starting from May 1, 2024, and have gradually relocated this JV store from Morisset to Heatherbrae since July 2024. The lease for the original Morisset location is set to end in September 2024.

Key terms of our arrangements for the two JV dealers include:

- ***Purpose.*** The purpose of the JV dealer is to engage in the marketing and sale of RVs within Australia. Our Company shall be responsible for assembly and production, while our JV partner shall be responsible for marketing and sales.

- ***Term.*** The JV dealer will continue until mutually agreed upon dissolution, completion of the project, or legal winding-up.

- ***Contribution of capital and share of profits and losses.*** Profits and losses will be shared according to the shareholding structure.

- ***Transfer of shares.*** A transfer of shares by a party will only be effective if and when the transferee agrees in writing with the other parties to assume, observe, perform and satisfy the obligations of the transferor party under the articles and the relevant agreement.

- ***Sale of shares to a third party.*** If a party wishes to accept an offer from a third party to acquire the whole of its shareholding, then that party must immediately notify the other parties in writing of its desire to accept the offer, and give the other parties 14 days to agree to acquire such interest on the same terms and conditions with completion to take place within a further 30 days.

- ***Employment of parties.*** The JV dealer must employ any party who is qualified to render services or provide goods, while the wholesale manufacturing costs of the RVs provided by us shall be payable upon satisfaction of certain conditions.

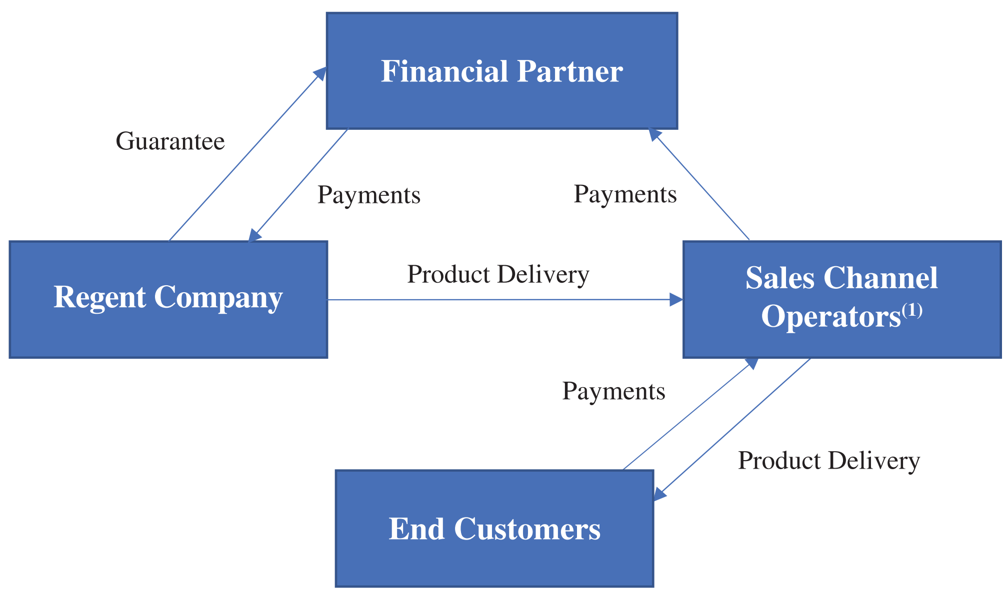
- ***Board of directors.*** We have two board seats in the board of directors of the JV dealer while the JV partner has one.

For 2021, 2022 and 2023 and for the six months ended June 30, 2024, the number of RVs we sold to retail customers through our self-owned stores and JV stores was nil, 83, 394 and 438, respectively. During the same periods, revenues generated from our self-owned stores and JV stores in aggregate were nil, RMB25.3 million, RMB129.1 million and RMB144.4 million, representing nil, 5.1%, 18.2% and 36.4% of our total revenues generated from sales of RVs, respectively.

Financing Arrangements

We have partnered with an independent third-party financial institution to provide financing options to our sales channel operators, namely, Snowy River RV Company, which operates our self-owned stores, third-party dealers, and JV dealers since 2022. The Financing Partner provides financing for all three types of our sales channel operators to acquire inventories of our Regent RVs and Snowy River RVs through floor-plan finance arrangement. According to Frost & Sullivan, it is consistent with industry norm for providers of RV products to cooperate with third-party financial institutions to provide financing options to sales channel operators. Such floor-plan finance arrangement enables us to receive payments more quickly, and helps free up cash flows for our sales channel operators, allowing them to maintain the upkeep of their businesses without interrupting the inventory growth. In 2022 and 2023 and for the six months ended June 30, 2024, we delivered an aggregate of 51, 331 and 48 RVs that were covered by such floor-plan finance arrangements.

The diagram below illustrates the typical floor-plan finance arrangement among Regent Company, the three types of sales channel operators within our sales and distribution network, and our Financing Partner, leading to the eventual sale of our RV to the end customer.



Note:

(1) Sales channel operators consist of (i) Snowy River RV Company, which operates our self-owned stores, (ii) third-party dealers, and (iii) JV dealers.

Under such floor-plan finance arrangement, the Financing Partner pays us for these funded RVs sold to the relevant sales channel operator which in turn sells the RVs to its end customer. The sales channel operator then fulfills its obligations directly to the Financing Partner according to their agreed-upon financing terms. The funded RV is directly transferred from us to the stores designated by the sales channel operator, where the customer collects the RV.

In connection with the aforementioned arrangement, we have separately entered into an agreement with the Financing Partner to provide a guarantee to the Financing Partner that in the event of default by the sales channel operators, we are required to repurchase the RV from the Financing Partner. During the Track Record Period and as of the Latest Practicable Date, there was no default by the sales channel operators. Therefore, this repurchasing obligation had never been invoked. We began providing such guarantee since 2022. The maximum amounts of the guarantee issued were RMB8.2 million, RMB27.5 million and RMB20.6 million as of December 31, 2022 and 2023 and June 30, 2024, respectively. The increase in the amount of the guarantee issued from 2022 to 2023 was directly associated with our strategic expansion in the number of our stores to fortify our market leadership position in Australasia, which necessitated more displayed RVs across our new stores. As a result, we required more extensive floor-plan financing to accommodate the additional stock needed for these expanded display purposes in promoting RV sales. The amount of the guarantee issued decreased as of June 30, 2024, primarily because one large dealer of ours chose to explore other financing institutions, which resulted in the reduced utilization of our floor-plan financing arrangements.

In addition, we have adopted policies to mitigate the risk of defaults by our sales channel operators. By conducting monthly stock reviews, we effectively monitor the stock levels of our sales channel operators, which allows us to promptly address issues relating to aging stock. Additionally, our representatives carry out irregular, unscheduled visits to our sales channel operators to verify stock levels and assess their performance, which helps ensure their continuous compliance and operational efficiency.

To incentivize the sales channel operators, the floor-plan finance arrangement provides an interest free period of 90 days. The sales channel operators shall make the full payment of the RV, as well as the associated interest post the interest free period, at the earlier of the time the RV is sold or expiration of the maximum facility term under the floor-plan finance arrangement, which generally ranges from one to two years.

The key terms of the agreement among Regent Company, our sales channel operators and the Financing Partner are as follows:

- ***Parties and purpose.*** The Financing Partner agrees to provide certain financing programs to sales channel operators. Sales channel operators act as distributors of certain equipment (i.e., RVs) approved by the Financing Partner and sell such equipment to end customers. Regent Company makes certain undertakings regarding the performance of sales channel operators' obligations as stated in the terms of obligations and indemnity by Regent Company below under this agreement.

- ***Applications.*** Sales channel operators may submit applications to the Financing Partner, which has an absolute discretion to approve or reject any application.

- ***Obligations of sales channel operators mainly include the following:***

  - o except as otherwise expressly disclosed in writing to the Financing Partner, ensure that the sale/invoice price is based on arm's length market values to ensure any financial assistance provided to sales channel operators is based on the true market re-sale value of the equipment;

  - o at the Financing Partner's cost, do all such things that are reasonably requested by the Financing Partner for the purpose of protecting the Financing Partner's rights and interests under the relevant financial product agreement;

  - o not repossess or consent to the return of any equipment or modify the terms of any financial product agreement without the prior written consent of the Financing Partner.

- ***Indemnity by sales channel operators.*** Sales channel operators indemnify the Financing Partner against any loss, damage, cost, charge, liability or expense suffered or incurred by the Financing Partner arising from or in relation to a breach of any warranties or representations made or entered into between the sales channel operators and end customers, untrue or incorrect representation or warranty by sales channel operators under this agreement, or any breach of this agreement by sales channel operators.

- ***Obligations and indemnity by Regent Company.*** Regent Company makes certain undertakings regarding the due and proper performance of all obligations and the payment of all monies at any time payable to the Financing Partner under this agreement by sales channel operators. Additionally, Regent Company will cover the interest for the sales channel operators during an interest free period of up to 90 days, or until the RV is sold, whichever comes first, at an interest rate comprising the Rabo prime rate in Australia ranging from 6.11% to 7.56% per annum during the Track Record Period plus an additional 2.09% per annum. Such arrangement is designed to encourage sales channel operators to maintain an optimal working stock level, allowing them to manage inventory effectively without immediate financial strain. Furthermore, it can motivate our sales channel operators to rotate their working stock, primarily comprising displayed RVs, within the 90-day period, ensuring that the newest RV models are regularly showcased to attract potential customers and further enhancing overall sales efficiency. According to Frost & Sullivan, such interest payment arrangement is consistent with the industry norm. In 2022 and 2023 and for the six months ended June 30, 2024, we delivered an aggregate of 51, 331 and 48 RVs that were covered by the floor-plan finance arrangements, with the corresponding recognized total revenue of RMB12.7 million, RMB83.0 million and RMB11.2 million, respectively. During the same periods, the average number of days of interest paid by Regent Company per RV was approximately 48, 69 and 74 days, with the corresponding total interest expense of A$25,606 (equivalent to RMB120,201), A$534,451 (equivalent to RMB2,507,199) and A$94,361 (equivalent to RMB441,183), respectively.

- ***Term and termination.*** This agreement is set for a term of 36 months with automatic extensions for 12 months unless terminated by either party with prior notice. It can be terminated immediately upon certain events such as insolvency, breach of agreement, or by the Financing Partner without cause with 90 days' notice.

After-Sales Services and Warranties

We offer competitive warranty terms for our RVs, which include (i) a five-year structural warranty covering chassis, walls, floors and roofs of the RVs, and (ii) a two-year material and part warranty covering all other components of the RVs. We generally make provisions for product warranty by reference to the sales volume and the expected unit costs for warranty services. We re-evaluate the adequacy of the warranty accrual on a regular basis. As of December 31, 2021, 2022 and 2023 and June 30, 2024, we had product warranty provision in the amount of RMB2.9 million, RMB4.9 million, RMB6.7 million and RMB6.9 million, respectively. For further details, see "Financial Information — Material Accounting Policies Information, Judgments and Estimates — Material Accounting Judgments and Estimates — Warranty Provisions."

We place great emphasis on the satisfaction of our customers. Our products are complemented by a comprehensive set of after-sales services, to foster lasting relationships with our RV owners that goes beyond mere transactions, ensuring satisfaction, long-term customer loyalty, and an exceptional ownership experience. Our self-owned stores and JV stores offer various after-sales services, including RV maintenance, repairs, and sales and upgrade of a wide selection of RV parts, ensuring that our customers have access to everything they need to keep their vehicles running smoothly and efficiently. At the same time, we recommend qualified third-party RV workshops to offer repair services to our customers. As of June 30, 2024, we had a network of 54 recommended RV workshops (including our self-owned stores and JV stores), covering 33 cities and regions in Australia and New Zealand. When recommending a third-party RV workshop, we typically assess the workshop's experience, historical performance in delivering after-sales services, as well as their established relationship with us.

The following table sets forth the movement in the number of our recommended RV workshops, including our self-owned stores and JV stores, for the periods indicated.

	For the year ended December 31,			For the six months ended June 30,
	2021	2022	2023	2024
Number of recommended RV workshops at the beginning of the year/period	47	47	48	54
Number of recommended RV workshops newly engaged during the year/period	0	1	7	0
Number of recommended RV workshops terminated during the year/period	0	0	1	0
Number of recommended RV workshops at the end of the year/period	47	48	54	54
Turnover rate of recommended RV workshops	0%	0%	2.1%	0%

Note:

(1) Turnover rate is calculated by dividing the number of termination of existing recommended RV workshops for a given year/period by the number of recommended RV workshops present at the beginning of that year/period.

In accordance with our product returns policy, we accept product returns subject to certain conditions in the event that there are product defects, damages or other faults that render the RV unsatisfactory or not meeting the specifications. For minor damages including cracks, dints, chips, scratches and solar panel defects, we typically arrange for repairs to the RV. For major damages including product or part failure such as battery defects, incorrect specifications and other malfunction problems, we assess and consider the feasibility of rectifying such damages. The rectification measures include outsourcing the repair work to an independent repairer close to the sales channel operator's location, bringing the damaged RV back to our assembly lines in Australia for repairs, accepting the return of the damaged RV, and/or offering a replacement for the damaged RV to our sales channel operators. According to Frost & Sullivan, our product returns policy is consistent with industry norm.

Product safety and liability

Vehicle safety is of utmost importance to our business operations, and we are committed to ensuring the safety of our RVs. To accomplish this objective, we have adopted a set of extensive internal testing and quality control procedures on our RVs. See "— Production — Quality Control and Assurance."

According to the Australian Consumer Law, if relevant goods have a safety defect and an individual suffers injuries because of such safety defect, the individual may recover the loss or damage suffered from the manufacturer. See "Regulatory Overview — Laws and Regulations in Australia — Product Regulations" for further details. As a result, we are legally obligated to assume the product liability in the event of any quality defects in our RVs that result in personal or property damage.

To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, our RVs were not involved in any accident caused by defects in our RVs. During the Track Record Period and up to the Latest Practicable Date, we did not have any product recalls, nor did we experience any complaints, disputes, product liability claims or other legal claims from our customers due to issues associated with the quality and safety of our RVs.

Notwithstanding the foregoing, during the Track Record Period, we have, out of good faith, accepted return of 10 RVs, with a total contract value of A$557,852 (equivalent to RMB2,521,770.0), that presented some workmanship issues, such as color variations and differences in interior finishes. These RVs were part of an early production phase and while we maintain that all standards were met, we have taken proactive steps to further refine our processes, ensuring that our products continue to meet high customer standards. These instances are by no means product recalls or product quality incidents but are our goodwill gestures in consideration of the strong cooperative relationships we have cultivated with our sales channel operators and our commitment to maintaining high and recognizable quality standards. During the Track Record Period, there were no issues relating to suppliers that impacted our product quality or safety, and therefore, no specific measures were required to address any supplier-related concerns. Regarding the returned RVs, we promptly addressed them by making any necessary adjustments to ensure they are in marketable condition. Once these enhancements are completed, the RVs will be reclassified and offered as pre-owned or ex-demo RVs. As of June 30, 2024, of the 10 returned RVs, one had already been sold, four were undergoing necessary adjustments at our final assembly lines in Australia, and the remaining five were in the final stages of preparation, awaiting to be sold as ex-demo RVs.

BACKLOG

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. Backlog is not a measure defined by generally accepted accounting policies. See "Risk Factors — Risks Relating to Our Business and Our Industry — Backlog is subject to unexpected adjustments and cancellations and, therefore, may not be indicative of our future results of operations."

The following table sets forth the outstanding contract value of projects in our backlog by brands as of the dates indicated:

	As of December 31,												As of June 30,							
	2021				2022				2023				2024				As of the Latest Practicable Date			
	RV Unit	A$ in thousands	Equivalent to RMB in thousands	%	RV Unit	A$ in thousands	Equivalent to RMB in thousands	%	RV Unit	A$ in thousands	Equivalent to RMB in thousands	%	RV Unit	A$ in thousands	Equivalent to RMB in thousands	%	RV Unit	A$ in thousands	Equivalent to RMB in thousands	%
Snowy River	955	48,028	217,111	76.3	1,337	73,004	330,015	80.7	1,240	68,457	309,460	83.9	1,236	66,806	301,997	82.8	1,267	70,629	319,278	92.3
Regent	144	8,692	39,292	13.8	173	11,354	51,326	12.6	72	4,631	20,934	5.7	77	4,924	22,259	6.1	13	868	3,926	1.1
NEWGEN	116	6,194	28,000	9.8	94	6,023	27,227	6.7	144	8,465	38,266	10.4	158	8,973	40,562	11.1	90	5,053	22,841	6.6
Total	1,255	62,914	284,403	100.0	1,604	90,381	408,567	100.0	1,456	81,553	368,660	100.0	1,471	80,703	364,818	100.0	1,370	76,550	346,045	100.0

As of December 31, 2021, 2022 and 2023 and June 30, 2024, the aggregate value of contracts in our backlog was approximately A$62.9 million (equivalent to RMB284.3 million), A$90.4 million (equivalent to RMB408.7 million), A$81.6 million (equivalent to RMB368.9 million) and A$80.7 million (equivalent to RMB364.8 million), respectively. Our backlog increased from A$62.9 million (equivalent to RMB284.3 million) as of December 31, 2021 to A$90.4 million (equivalent to RMB408.7 million) as of December 31, 2022, primarily because the influx of orders outpaced our productivity, resulting in longer lead times for order fulfillment. Our backlog decreased from A$90.4 million (equivalent to RMB408.7 million) as of December 31, 2022 to A$81.6 million (equivalent to RMB368.9 million) as of December 31, 2023, primarily because we strategically boosted our productivity to support our sales forecast. Our backlog remained relatively stable at A$80.7million (equivalent to RMB364.8 million) as of June 30, 2024.

During the Track Record Period, the average contract duration of our backlog was approximately seven months. As of the Latest Practicable Date, our order backlog comprised 1,370 RV units, all of which were made-to-order, including 889 displayed RVs. These units require approximately five months to manufacture and deliver based on our production capacity. Depending on configuration, in general, the lead time for delivering a RV from our final assembly lines in Australia to a RV owner after an order is placed is approximately six months. Regarding our orders in 2021 and 2022, we did not have any cancellations or associated loss incurred relating to our backlog. Regarding the orders in 2023 and the six months ended June 30, 2024, we canceled a total of three and nine RVs, respectively. All of these cancellations were made by us and involved purchases of displayed RVs from our sales channel operators. We regularly monitor their inventory levels and maintain frequent communication with them. Based on our assessment of their sales performance, we cancel certain orders to help them adjust inventory levels and alleviate their cash flow pressure. This, in turn, helps us avoid delayed payment issues by the operators resulting from a slowdown in sales.

We did not incur any loss as a result of these cancellations because they were made before the final confirmation from our sales channel operators on product specifications, at which point we had not yet started procurement or manufacturing of the ordered RVs. See "— Sales and Distributions" for further details on our order cancellation policy.

LOGISTICS AND INVENTORY MANAGEMENT

Logistics and Warehouse

We operate our warehouses in both China and Australia primarily for storing our work in progress, finished products and certain components and raw materials. We generally use third-party logistics service providers to transport (i) our semi-finished RVs from our warehouses in China to our warehouses in Australia for final assembly, and (ii) our finished RVs from our Australian warehouses to our end customers. Such third-party logistics service providers are responsible for any damage and loss caused by their negligence during the course of their logistics services, including transfer, loading, unloading, transportation and delivery to our customers. As of June 30, 2024, we cooperated with 19 logistics service providers in Australasia for transporting our RVs. We have also entered into cooperation agreements with a Chinese multinational conglomerate, an independent third party that engages in global shipping and logistics services, which further fortifies our capability to ensure efficient and reliable maritime logistics and prompt delivery.

When selecting a logistics service provider, we carefully take a range of factors into consideration to ensure efficient, reliable, and cost-effective transportation of our RVs. We typically assess the provider's specific expertise in the type of logistics needed, including their capabilities in international and domestic logistics for cross-border RV transportation. Additionally, we review their historical performance and financial stability in adhering to service level agreements and consistently delivering logistics services.

A comprehensive understanding of all associated costs, including fuel, tolls, and transportation fees, as well as the size and composition of the provider's fleet to meet our logistic demands, and the extensive coverage matching our shipping needs, is also crucial to our decision-making process. Furthermore, we evaluate the provider's compliance with industry regulations like the Heavy Vehicle National Law in Australia, safety standards, roadworthiness of vehicles, adequacy of insurance coverage, and relevant accident history.

As advised by our PRC Legal Advisor and our Australian Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, we had obtained all necessary licenses and approvals and complied with the requirements of relevant laws and regulations in the PRC and Australia with respect to exporting our RVs from China to Australasia.

Inventory Management

Our inventory primarily includes raw materials, work in process and finished goods. Our inventory turnover days were 174 days, 122 days, 138 days and 166 days in 2021, 2022 and 2023 and for the six months ended June 30, 2024, respectively. We generally implement a made-to-order production approach and produce our RVs based on customer orders to minimize our inventory.

We have inventory management policies and systems in place to monitor fluctuations in the supply chain and to ensure that we carry appropriate inventory to account for variations in demand and to facilitate the counting process and reconciliation of the perpetual record and the actual count. Physical inventories will be carried out regularly to verify stocks shown on the balance sheet corresponding to the actual existing items, both in terms of quantity and value. Additionally, we have put in place a digitalized inventory management system, which timely and accurately tracks the movement of inventory items. All supporting documents, from count sheets dated and signed by the persons in charge of counting to summary reports issued from our inventory management system must be kept auditable. The final reports showing impact in value and volume will also be retained in our finance department to corroborate adjustments that are necessary due to the physical inventory procedures. During the Track Record Period, we did not experience any significant write-offs of our inventory.

MARKETING AND CUSTOMER ENGAGEMENT

Pricing

We aim to offer premium quality products at compelling prices. We price our RVs considering a variety of factors, such as product positioning, competitive landscape, spending patterns of target customers and our cost base.

Specifically, in a landscape where hidden costs can tarnish the purchasing experience, our Snowy River RVs and Regent RVs stand apart with their transparent tow away pricing policy. This uniformity in pricing across all dealerships enables the customers to rest assured knowing that they can pick up their chosen RV anywhere in the country for the same transparent price, which further underscores our position as a credible and consumer-friendly brand and our commitment to providing exceptional products and services without compromising transparency.

Marketing

We actively engage in targeted marketing through online promotions and offline events to further enhance our brand recognition and acquire customers. For the three years ended December 31, 2023 and for the six months ended June 30, 2024, we incurred selling and distribution expenses of RMB6.5 million, RMB19.3 million, RMB41.5 million and RMB32.2 million, respectively, representing 2.2%, 3.9%, 5.8% and 7.6% of our revenues during the respective periods.

Our principal brand promotion activities include sponsorships, participation in RV shows and special events, advertisement placements, and digital and social media marketing. In 2022, we also engaged James Courtney, a former champion and one of the most recognizable drivers in the V8 Supercars series as our racer and brand ambassador. We believe our collaboration with James Courtney by featuring him in RV shows and sharing promotions through his social media accounts will contribute to the improvement of our brand image and awareness.

We carry out these brand promotion activities with a dedicated team which comprised 59 employees as of June 30, 2024. We believe these initiatives further enhance our customer engagement, while promoting brand loyalty in the process, which contributes to more recurring business as well as brand advocacy by our customers.

Sponsorships

Our sponsorship activities also serve as a crucial means of enhancing brand awareness. Notably, we sponsored Tickford Racing Team for 2022–2023 and will sponsor Blanchard Racing Team for 2024–2025 in V8 Supercars which is a premier racing series in Australia, aiming to gain widespread exposure through various channels, including television and social media platforms, racing team interviews, behind-the-scenes content and branded merchandise in marketing materials.

In addition, we embrace the vibrant festival scene by sponsoring major music festivals, particularly those offering camping experiences. This strategic initiative places our brands at the heart of a key target market which comprises of music festival-goers who love outdoor activities and are potential RV enthusiasts.

RV Shows and Local Events

We frequently participate in major RV and outdoor lifestyle shows and exhibitions in Australia as well as some local events and activities that align with the RV lifestyle. These offline events enable us to present live product demonstrations and interact with potential customers, and may also contribute to direct sales of our products and services.

Digital and Social Media Marketing

We use data-driven and targeted online marketing through a variety of channels to increase our visibility and to capture information about customer preferences and market trends. We mainly utilize (i) the individual websites of each of our brands, (ii) our official accounts on online social media platforms, such as Facebook, Instagram and YouTube, (iii) advertising placements on online portals like Google AdWords and popular social media platforms, and (iv) attractive and updated listings on third-party e-commerce platforms, such as Caravan & Camping Sales and RV Trader. In addition, our third-party dealers promote our RV models on their own websites.

Customer Engagement

We are dedicated to continuously improving our customer experience, effectively managing and converting our sales leads, and developing trusting and close customer relationships. We drive customer engagement by holding multi-dimensional online and offline promotion events and owner group activities to support our user growth and cultivate a vibrant user community. Users and customers, existing and prospective, are invited to participate in our regular meet-ups and RV trips, which are designed to be informative, engaging and entertaining. Through these events, we interact with our users to understand their needs and preferences on a regular basis to collect timely feedback based on their user experience. In addition, owner groups for people who currently own or who have placed an order for our RVs have been established by us to create a dynamic user community. As of the Latest Practicable Date, our owner groups had an aggregate of over 10,000 members within our Facebook community. We also regularly work with key opinion customers and facilitate the sharing of their RV insights and experiences online and offline. User-generated content from these events has been shared by our customers on major online platforms, which significantly contributes to our brand recognition and product awareness.

INTELLECTUAL PROPERTY

We believe our proprietary technologies, and intellectual property rights are critical to our success. We seek to protect our intellectual property against third-party infringement through the registration of trademarks, the filing of patents, as well as through other means, including licenses, confidentiality and non-disclosure agreements. As of the Latest Practicable Date, we had 20 registered trademarks and two registered or authorized patents in China, Australia and New Zealand. As of the Latest Practicable Date, we had five material domain names. As of the Latest Practicable Date, the Group had registered patents for all our core technologies. For details, see "Appendix IV — Statutory and General Information — B. Further Information about Our Business — 2. Intellectual Property Rights of Our Group."

During the Track Record Period and up to the Latest Practicable Date, we were not aware of any material infringement (i) by us of any intellectual property rights owned by third parties, or (ii) by any third parties of any intellectual property rights owned by us.

COMPETITION

Factors that affect competition in our industry include price, reliability, safety, regulations, reputation, equipment and quality, timely delivery capabilities, high degree of customization, consistency and ease of service. We believe that we compete primarily based on our reputation for quality, the performance and design of our RVs, pricing, our brand image and the user experience that we provide to our customers. We are a notable company in the RV industry in Australasia. According to Frost & Sullivan, we achieved the second-largest market share in Australasia's RV industry in terms of sales volume in 2023.

We believe that we have competitive advantages over our peers in the RV industry, including our collection of iconic brands with a long heritage, broad and diverse range of products with unique brand matrix, effective and diversified sales and distribution strategy, superior production capabilities and substantial investments in product development.

TOP CUSTOMERS AND SUPPLIERS

Top Customers

Our customers primarily consist of our dealers through which we sell our RVs to end customers. In each year/period of the Track Record Period, sales to our five largest customers in the aggregate accounted for 80.5%, 74.4%, 55.2% and 46.2% of our total revenues, respectively. In each year/period of the Track Record Period, sales to our largest customer accounted for 26.2%, 27.3%, 25.1% and 23.8% of our total revenues, respectively. None of our five largest customers in each year/period of the Track Record Period was also our supplier.

Green RV held 49% equity interest in our subsidiary, Leisure Lion, and was also a dealer operating two of our dealer stores as of June 30, 2024. Green RV was our largest customer in each year/period of the Track Record Period. See "Connected Transactions — Partially-Exempt Continuing Connected Transaction — Green RV Dealership Agreement" for more details.

Leisure Lion was initially a joint venture established by Regent Company, together with Green RV, in Australia in July 2019, with each of Green RV and us holding 50% equity interest, respectively. Subsequently, Leisure Lion became one of our subsidiaries in September 2023 when the shareholding interest of Regent Company in it increased to 51%. Leisure Lion was one of our five largest customers in 2021, 2022 and 2023, respectively.

To the best of our knowledge, all of our five largest customers in each year/period of the Track Record Period, except for Green RV as our JV partner, and Leisure Lion as our JV dealer, were independent third parties, and none of our Directors, their respective associates or any shareholder who, to the knowledge of our Directors, owned more than 5% of our issued share capital, had any interest in any of our five largest customers in each year/period of the Track Record Period.

The following tables set forth the details of our top five customers in each year/period during the Track Record Period in terms of revenues.

Customer	Major products/ services purchased by us	Business relationship since	Credit terms*	Settlement information	Amount of sales	As a percentage of our total revenue
					(RMB in thousands)	(%)
For the six months ended June 30, 2024						
Green RV(1)	RVs	2014	21 days or 90 days	Bank transfer	100,434.9	23.8
Customer B(4)	RVs	2022	21 days or 90 days	Bank transfer	29,870.8	7.1
Customer F(8)	RVs	2022	21 days or 90 days	Bank transfer	29,354.1	7.0
Customer A(2)	RVs	2016	21 days or 90 days	Bank transfer	18,508.0	4.4
Customer C(5)	RVs	2017	21 days or 90 days	Bank transfer	16,897.4	3.9
Total					**195,065.2**	**46.2**

Customer	Major products/ services sold by us	Business relationship since	Credit terms*	Settlement information	Amount of sales	As a percentage of our total revenue
					(RMB in thousands)	(%)
For the year ended December 31, 2023						
Green RV(1)	RVs	2015	21 days or 90 days	Bank transfer	181,139.9	25.1
Customer A(2)	RVs	2016	21 days or 90 days	Bank transfer	75,000.4	10.4
Leisure Lion(3)	RVs	2020	21 days or 90 days	Bank transfer	51,809.3	7.2
Customer B(4)	RVs	2022	21 days or 90 days	Bank transfer	49,095.3	6.8
Customer C(5)	RVs	2017	21 days or 90 days	Bank transfer	41,295.7	5.7
Total					**398,340.6**	**55.2**

Customer	Major products/ services sold by us	Business relationship since	Credit terms	Settlement information	Amount of sales	As a percentage of our total revenue
					(RMB in thousands)	(%)
For the year ended December 31, 2022						
Green RV(1)	RVs	2015	21 days or 90 days	Bank transfer	136,027.7	27.3
Customer D(6)	RVs	2016	21 days or 90 days	Bank transfer	90,638.5	18.2
Customer A(2)	RVs	2016	21 days or 90 days	Bank transfer	70,789.1	14.2
Leisure Lion(3)	RVs	2020	21 days or 90 days	Bank transfer	37,568.2	7.5
Customer E(7)	RVs	2019	21 days or 90 days	Bank transfer	36,010.8	7.2
Total					**371,034.3**	**74.4**

Customer	Major products/ services sold by us	Business relationship since	Credit terms	Settlement information	Amount of sales	As a percentage of our total revenue
					(RMB in thousands)	(%)
For the year ended December 31, 2021						
Green RV(1)	RVs	2015	21 days or 90 days	Bank transfer	78,588.1	26.2
Customer D(6)	RVs	2016	21 days or 90 days	Bank transfer	62,968.2	21.0
Customer A(2)	RVs	2016	21 days or 90 days	Bank transfer	43,529.6	14.5
Customer C(5)	RVs	2017	21 days or 90 days	Bank transfer	30,372.0	10.1
Leisure Lion(3)	RVs	2020	21 days or 90 days	Bank transfer	26,062.9	8.7
Total					**241,520.8**	**80.5**

Notes:

* *The credit term of 21 days is under the direct seller-buyer model, and the credit term of 90 days is under the financing model. See "— Sales and Distribution" for details.*

(1) Green RV is a proprietary company limited by shares registered in Australia on June 13, 2018 and our JV partner.

(2) Established in 2013, Customer A is a reputational dealer selling high-quality new and pre-owned RVs in the South Coast of Australia. It is also a member of the Caravan & Camping Industry Association in New South Wales.

(3) Leisure Lion was initially a joint venture established by Regent Company, together with Green RV, in Australia in July 2019, with each of Green RV and us holding 50% interest, respectively. Subsequently, Leisure Lion became one of our subsidiaries in September 2023 when the shareholding interest of Regent Company in it increased to 51%.

(4) Customer B started selling RVs since January 2016 in New South Wales, Australia. It has expanded its business scale and commenced to sell Regent and Snowy River RVs as our dealer since 2022.

(5) Customer C is a family run business with more than 40 years' experience in the RV industry according to its website. It operates two sites in both Northern and Southern Adelaide, Australia.

(6) Customer D is a leading RV dealer in Melbourne, Australia. It is a family-owned RV dealer with nearly 50 years' experience in the RV industry and offers a wide range of RVs.

(7) Customer E is a family-owned RV dealer located in Tasmania, focusing on the sales of Snowy River RVs. It also provides repair services to different RV brands and models and a wide range of RV parts to meet customer needs.

(8) Customer F is a privately owned independent dealer located in Townsville, Far North Queensland. Its yard was opened in 2020.

Top Suppliers

Our suppliers mainly include suppliers of our production inputs. In each year/period of the Track Record Period, purchases from our five largest suppliers in the aggregate accounted for 38.7%, 30.1%, 22.8% and 22.9% of our total purchases, respectively. In each year/period of the Track Record Period, the purchases from our largest suppliers accounted for approximately 20.6%, 11.1%, 8.8% and 7.8% of our total purchases, respectively. None of our five largest suppliers in each year/period of the Track Record Period was also our customer.

Daide Power Machinery, one of our five largest suppliers in both 2021 and 2022, is an affiliate of Daide Longtree, mainly engaging in trading business. Daide Power Machinery is a limited liability company established under the laws of the PRC in 2010 and is controlled by Mr. Miao, one of our Controlling Shareholders. To strengthen our bargaining position and secure more favorable procurement terms, we centralized the procurement of materials, including raw materials, electric appliances, and interior and exterior furniture and decorations, through Daide Power Machinery in 2021 and 2022. Such centralized procurement arrangement was terminated in 2023. Given that the RV business operates relatively independently and we offer a made-to-order service for our customers, independent procurement allows us greater flexibility, enabling us to be more proactive in meeting the specific needs and tastes of our customers. Furthermore, as our business continues to expand, our bargaining power has been steadily strengthening, making a decentralized procurement approach more advantageous. The termination of such centralized procurement arrangement has no impact on our financial and operational performance.

Shangqiu Jishun, one of our five largest suppliers for the six months ended June 30, 2024, is an indirect subsidiary of Daide Longtree and a connected person of our Company, mainly engaging in RV parts manufacturing. Shangqiu Jishun is a limited liability company established under the laws of the PRC in 2021 and is controlled by Mr. Miao, one of our Controlling Shareholders. For details of our transactions with Shangqiu Jishun, see "Connected Transaction — Partially exempt continuing connected transactions — RV Parts Purchase Framework Agreement."

To the best of our knowledge, all of our five largest suppliers in each year/period of the Track Record Period were independent third parties, except for the above-mentioned Daide Power Machinery and Shangqiu Jishun, and none of our Directors, their respective associates or any shareholder who, to the knowledge of our Directors, owned more than 5% of our issued share capital, had any interest in any of our five largest suppliers in each year/period of the Track Record Period.

The following tables set forth the details of our top five suppliers in each year/period during the Track Record Period in terms of purchases.

Supplier	Major products/ services purchased by us	Business relationship since	Credit terms	Settlement information	Amount of purchases	As a percentage of our total purchases
					(RMB in thousands)	(%)
For the six months ended June 30, 2024						
Supplier A[1]	Electric appliance, doors and awnings	2014	30–60 days	Bank transfer and bank notes	14,496.0	7.8%
Supplier C[3]	Substrates	2017	30 days	Bank transfer and bank notes	7,986.2	4.3%
Shangqiu Jishun[9]	Doors and windows	2022	45 days	Bank transfer and bank notes	6,831.0	3.7%
Supplier G[8]	Fiberglass panel	2020	30 days	Bank transfer and bank notes	6,786.8	3.7%
Supplier H[10]	Electric appliance	2020	60 days	Bank transfer and bank notes	6,398.1	3.4%
Total					**42,498.1**	**22.9%**

Supplier	Major products/ services purchased by us	Business relationship since	Credit terms	Settlement information	Amount of purchases	As a percentage of our total purchases
					(RMB in thousands)	(%)
For the year ended December 31, 2023						
Supplier A[(1)]	Electric appliance, doors and awnings	2014	30–60 days	Bank transfer and bank notes	40,540.8	8.8%
Supplier B[(2)]	Interior and exterior	2018	60 days	Bank transfer and bank notes	18,585.3	4.1%
Supplier C[(3)]	Substrates	2017	30 days	Bank transfer and bank notes	16,056.2	3.5%
Supplier D[(4)]	Substrates	2016	40–60 days	Bank transfer and bank notes	15,260.8	3.3%
Supplier E[(5)]	Plumbing	2017	30–60 days	Bank transfer	14,398.2	3.1%
Total					**104,841.3**	**22.8%**

Supplier	Major products/ services purchased by us	Business relationship since	Credit terms	Settlement information	Amount of purchases	As a percentage of our total purchases
					(RMB in thousands)	(%)
For the year ended December 31, 2022						
Supplier A[(1)]	Electric appliance, doors and awnings	2014	30–60 days	Bank transfer and bank notes	32,473.5	11.1%
Supplier E[(5)]	Plumbing	2017	30–60 days	Bank transfer	17,039.7	5.8%
Daide Power Machinery[(6)]	Centralized purchases through related parties	2021	90 days	Bank transfer and bank notes	14,735.4	5.0%
Supplier B[(2)]	Interior and exterior	2018	60 days	Bank transfer and bank notes	13,370.2	4.6%
Supplier D[(4)]	Substrates	2016	40–60 days	Bank transfer and bank notes	10,814.0	3.6%
Total					**88,432.8**	**30.1%**

Supplier	Major products/ services purchased by us	Business relationship since	Credit terms	Settlement information	Amount of purchases	As a percentage of our total purchases
					(RMB in thousands)	(%)
For the year ended December 31, 2021						
Daide Power Machinery(6)	Centralized procurement through related parties	2021	90 days	Bank transfer and bank notes	52,093.3	20.6%
Supplier A(1)	Electric appliance, doors and awnings	2014	30–60 days	Bank transfer and bank notes	16,366.5	6.5%
Supplier C(3)	Substrates	2017	30 days	Bank transfer and bank notes	11,291.3	4.5%
Supplier D(4)	Substrates	2016	40–60 days	Bank transfer and bank notes	9,746.1	3.9%
Supplier Group F(7)	Electric appliance	2021	30 days	Bank transfer and bank notes	8,061.3	3.2%
Total					**97,558.5**	**38.7%**

Notes:

(1) Supplier A, with its business presence in both China and Australia, is a global leading company specializing in brand solutions for mobile living in the application areas of food and beverage, climate, power and control and others.

(2) Established in 2014, Supplier B specializes in the production of doors, windows, refrigerators and other value-added products of RVs. It has established its business presence in more than 30 countries and regions across Europe, the United States, and Canada and has established strategic partnerships with many well-known domestic and foreign enterprises.

(3) Established in 2003, Supplier C is located in Xuzhou, Jiangsu Province. It specializes in the production of panels, plywood, furniture and accessories.

(4) Established in 2008, Supplier D is located in Ningbo, Zhejiang Province. It specializes in the wholesale and retail of construction materials, electronic components, and needle textiles.

(5) Supplier E is a company which specializes in the provision of plumbing and electrical contract labor solutions to RV manufacturers. It operates a separate service workshop providing warranty support as well as after-sales maintenance, repairs, upgrades and import compliance to both trade and end-user customers.

(6) Daide Power Machinery is an affiliate of Daide Longtree, mainly engaging in trading business.

(7) From 2021 to 2023, we purchased products from Supplier Group F and two of its subsidiaries. Supplier Group F was established in Zhejiang, China in 2020, primarily engaging in automobile manufacturing business.

(8) Supplier G was established on January 26, 2018, and its business scope primarily includes fiberglass products.

(9) Shangqiu Jishun is an indirect wholly-owned subsidiary of Daide Longtree and a connected person of our Company, mainly engaging in RV parts manufacturing.

(10) Supplier H was established in 2014, and its business scope primarily includes refrigeration equipment, air conditioners and refrigerators used in caravans.

EMPLOYEES

As of June 30, 2024, we had a total of 733 employees, comprising 526 employees based in China and 207 employees based in Australia.

The table below sets forth the numbers of our employees by function as of December 31, 2021, 2022 and 2023 and June 30, 2024.

	As of December 31,						As of June 30,	
	2021		2022		2023		2024	
Function	Number of employees	% of total employees	Number of employees	% of total employees	Number of employees	% of total employees	Number of employees	% of total employees
Production and Supply Chain	417	89.1%	405	78.9%	531	79.2%	566	77.2%
Sales and Marketing	6	1.3%	24	4.7%	52	7.8%	59	8.0%
General and Administrative Support	19	4.1%	38	7.4%	43	6.4%	54	7.4%
Product Development and Technology	26	5.5%	46	9.0%	44	6.6%	54	7.4%
Total	468	100.0%	513	100.0%	670	100.0%	733	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. During the Track Record Period, Regent RV Company has engaged independent contractors for a relatively short period of time. As advised by our Australian Legal Advisor, we were in compliance with our contributions to superannuation funds in respect of the registered employees and applicable Australian labor laws and regulations in all material respects during the Track Record Period and up to the Latest Practicable Date. However, as the Australian labor laws are currently under reform, there is a risk that the independent contractors engaged by Regent RV Company may be able to assert themselves that they have been historically misclassified and are in fact employees at law pursuant to the new changes in the relevant laws. If an independent contractor is misclassified and later found to be an employee at law, we may be subject to claims for unpaid employee entitlements and superannuation contributions with a six year look back period under the Australian labor laws.

We believe we maintain a good working relationship with our employees, and we had not experienced any material labor dispute or any difficulty in recruiting staff for our operations during the Track Record Period and up to the Latest Practicable Date.

We also employ dispatched workers from employment agencies in the PRC who primarily work at our final assembly, furniture, welding and lamination workshops. During the Track Record Period, we entered into service agreements with certain independent human resources service providers to engage dispatched workers. According to the service agreements, the individuals dispatched by the service providers are employees of such providers. The service providers are therefore required to bear the costs of salaries, social insurance and housing provident funds or other employee benefits of these dispatched workers, while we are responsible for paying service fees to such employment agencies.

According to the Interim Provisions on Labor Dispatch (勞務派遣暫行規定, the "Interim Provisions") issued on January 24, 2014 and implemented on March 1, 2014 by the Ministry of Human Resources and Social Security, the number of the dispatched workers shall not exceed 10% of the total number of the employees. During the Track Record Period and as of the Latest Practicable Date, the number of dispatched workers engaged by us had not exceeded the 10% regulatory threshold.

In accordance with applicable PRC laws and regulations, we are obligated to contribute to social insurance and housing provident funds for our employees. During the Track Record Period, we did not make adequate social insurance and housing provident fund contributions for employees with the relevant social insurance and housing provident fund authorities primarily because some of our employees were reluctant to make full contributions to social insurance and housing provident funds for personal considerations. We made provisions of approximately RMB0.7 million, RMB1.7 million, RMB2.1 million and RMB0.5 million with respect to the potential liabilities arising from shortfalls in social insurance and/or housing provident fund contributions for each of the three years and for the six months ended June 30, 2024 during the Track Record Period, respectively. We had obtained written confirmations from local social insurance and housing provident fund authorities, which confirmed that no violation of laws and regulations in relation to labor by us was found, and we had been subject to no penalties related to social insurance or housing provident fund during the Track Record Period. Our PRC Legal Advisor is of the opinion that the relevant written confirmations are addressed by competent authorities.

Furthermore, we are in the process of improving relevant internal control measures to strengthen our oversight and management in relation to the social insurance and housing provident funds, including incorporating compliance payments for social insurance and housing provident funds into our internal policies, learning official rules and regulations promulgated by the competent authorities, reviewing the social insurance and housing provident funds contribution for all eligible employees on a regular basis and conducting regular internal trainings for personnel responsible for human resource matters on the relevant laws and regulations as well as regulatory updates. For further details on the risks associated with the shortfall in our contributions, see "Risk Factors — Risks Relating to Our Business and Our Industry — We may be subject to additional contributions of employee benefit plans and late payments and fines imposed by relevant governmental authorities." We plan to adjust the payment base for our employees' social insurance and housing provident funds contributions in batches to make full contribution in compliance with the applicable laws and regulations and expect such adjustment to be completed by the end of 2024.

INSURANCE

We maintain various insurance policies to safeguard against risks and unexpected events. We maintain property insurance, machinery breakdown insurance, public and product liability insurance, employer's liability insurance and driver's liability insurance, which we believe is in line with the commercial practices in our industry. In particular, our public and product liability insurance covers standard public and product liability for our RVs, including claims for third parties' injuries and property damages due to our product defects and relevant litigation expenses. Limits on indemnity in the policy are up to A$20 million for each public liability claim and each products liability claim, and as annual aggregate for each public liability and each product liability claim, respectively. That is, the maximum amount of indemnity per each public liability claim and each products liability claim that the insurer bears, represents an amount up to A$20 million, and the maximum amount of indemnity for all public liability claims and for all products liability claims occurred during the insured period (i.e., one year) on an aggregated basis is the same amount. As advised by Frost & Sullivan, the public and product liability coverage is in line with the industry practices in the RV industry. We do not maintain any key-man insurance or insurance policies covering damages to our information technology systems. We believe that our insurance coverage is adequate to cover our key assets, facilities, and liabilities.

During the Track Record Period, we did not make any material insurance claims in relation to our business.

PROPERTIES

As of the Latest Practicable Date, we leased certain properties in connection with our business operations in China and Australia. Our leases generally have a term ranging from three to six years, and we expect to renew the leases upon their expiration. For further details, see "— Production — Production Process and Facilities — Production Facilities and Assembly Lines." As of the Latest Practicable Date, we had not completed lease registration for one leased property in China and seven leased properties in Queensland, Western Australia, Tasmania and New South Wales in Australia. For any of our leased properties with the aforementioned defects, we believe we are able to find comparable properties as alternatives at commercially acceptable terms to us if we must stop occupying any of these leased properties, without any delay, significant costs and interruption to our business. In respect of our unregistered leased property in China, we were advised by our PRC Legal Advisor that failure to register the lease agreement would not affect the validity and enforceability of such lease agreement. However, if we and the landlords fail to register such lease agreement as required by the relevant competent authorities, we may be subject to a fine of RMB1,000 to RMB10,000 for the unregistered lease agreement. As of the Latest Practicable Date, we had not been subject to any administrative penalties by the relevant competent authorities. In respect of our unregistered leased properties in Australia, we were advised by our Australian Legal Advisor that failure to register lease agreements does not affect the enforceability and binding nature of such leases, but may invoke the issue of indefeasible title, whereby a third party (for instance, a creditor of the landlord) may take possession of such leased properties and will not be bound by the unregistered leases. As advised by our PRC Legal Advisor and our Australian Legal Advisor, the defects of such leased properties would not affect the validity of such agreements under PRC laws and Australian laws, respectively. For further details on the risks of our leased properties, see "Risk Factors — There are legal defects regarding some of our leased properties."

One of our landlords for our production facilities located in Zhejiang, China is our connected person. See "Connected Transactions — One-off connected transaction" for more details.

As none of our properties had a carrying amount of 15% or more of our consolidated total assets as of June 30, 2024, we are not required to include a property valuation report in this Prospectus according to Chapter 5 of the Listing Rules and Chapter 32L of the Laws of Hong Kong.

LICENSES, CERTIFICATES AND PERMITS

We are required to obtain various licenses, permits and approvals for our operations. During the Track Record Period and up to the Latest Practicable Date, we had obtained all material licenses, approvals and permits necessary for our business operations from relevant authorities. We renew all such licenses, approvals and permits from time to time to comply with the relevant laws and regulations.

The following table sets forth a list of our material licenses, approvals and certificates.

No.	Holder	Name of License, Approval and Permit	Initial Grant Date	Expiration Date
China				
330494000Y	Xing Longtree	Customs Filing (Consignee and Consignor of Import and Export Goods (海關備案(進出口貨物收發貨人))	January 26, 2024	December 31, 2099
Australia				
EQPL35816883	Regent Company	Equipment license to import SGG Equipment pursuant to the Ozone Protection and Synthetic Greenhouse Gas Management Act 1989 (Cth)	April 29, 2024	April 28, 2026
MD29380	Snowy River (trading as Regent RV Perth)	Vehicle Dealers License for a Corporation under the Motor Vehicle Dealers Act 1973 (WA) at the place of business, 1110–1116 Albany Highway, St James, WA 6102	April 28, 2022	April 27, 2025
4618678	Leisure Lion	Motor Dealer license issued pursuant to the Motor Dealers and Chattel Auctioneers Act 2014	November 3, 2022	November 3, 2025
MD091066	Leisure Lion	License under the Motor Dealers and Repairers Act 2013 (NSW) at the place of business, 21 Advantage Avenue, Morisset, NSW 2264	November 22, 2022	November 21, 2027

As advised by the Australian Legal Advisor, United RV operates a retail business that supplies Regent RVs directly to customer in Victoria, Australia, where it connects directly with end customers through physical JV stores in Victoria, Australia. As there is no requirement to hold a Vehicle Dealers License to sell RVs in Victoria, Australia, United RV does not need to apply for a Vehicle Dealers License.

We monitor the validity of, and make timely applications for the renewal of, relevant licenses, permits and certificates prior to the expiration date. We had not experienced any material difficulty in obtaining or renewing the required licenses, permits and certificates for our business operations during the Track Record Period and up to the Latest Practicable Date. Our PRC Legal Advisor and Australian Legal Advisor have advised us that there is no material legal impediment to renewing such permits or licenses.

AWARDS AND RECOGNITION

During the Track Record Period and up to the Latest Practicable Date, we received a number of awards and recognition in respect of the quality and popularity of our products and services. Some of the significant awards and recognition that we and our management have received are set forth below.

Award/Recognition	Award Year	Awarding Institution/Authority
Caravan of the Year for the Value for Money Category	2022	MSA 4x4 Accessories (Australia)
Best Aussie Van in the Value for Money Category	2019	CZONE|BLA (Australia)
2023 Outstanding Entrepreneurs of Zhejiang Province (2023浙江省優秀企業家)	2023	Zhejiang Entrepreneurs Union (浙江省企業家聯合會) Zhejiang Entrepreneurs Association (浙江省企業家協會)
2022 Soaring Eagle Award for Leadership Excellence in the RV Camping Industry (2022年度房車露營行業卓越領袖飛鷹獎)	2022	21st Century RV website (21世紀房車網)
2021 Green Urban Transportation and Distribution Promotional Figures (2021綠色城配推廣人物)	2021	China New Energy Transportation Vehicle Green Urban Cargo Distribution Conference (中國新能源物流車綠色城配大會)
2014 China Reform Outstanding People Award (2014中國改革優秀人物獎)	2014	China Economic Herald of National Development and Reform Commission (國家發展改革委中國經濟導報社)
2014 Most Influential People in China (Automotive) Industry (2014中國(汽車)行業最具影響力人物)	2014	Organizing Committee of the third China Finance Summit (第三屆中國財經峰會組委會)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We are committed to promoting corporate social responsibility and sustainable development and integrating it into all major aspects of our business operations. Accordingly, our Board of Directors has adopted a comprehensive policy on environmental, social and governance, or ESG, responsibilities (the "**ESG Policy**") in accordance with the standards of Appendix C2 to the Listing Rules. The ESG Policy outlines, among others, (i) the appropriate risk governance on ESG matters, including climate-related risks and opportunities, (ii) ESG strategy formation procedures, (iii) ESG risk management and monitoring, (iv) the identification of key performance indicators ("**KPIs**") and (v) the relevant measurements and mitigating measures.

Our ESG Policy also sets out different parties' respective responsibilities and authority in managing ESG matters. Our Board has overall responsibility for overseeing and determining our environmental, social, and climate-related risks and opportunities impacting us, establishing and adopting the ESG Policy and the related targets, and reviewing our performance annually against the ESG targets and revising the ESG strategies as appropriate if significant variance from the targets is identified. Our Board has established an ESG working group that comprises four members, including managements of relevant ESG departments. The ESG working group serves a supportive role to our Board in (a) implementing the agreed ESG Policy, targets and strategies; (b) conducting materiality assessments of environmental-related, climate-related and social-related risks and assessing how we adapt its business in light of climate change; (c) collecting ESG data from different parties while preparing for the ESG report; and (d) continuous monitoring of the implementation of measures to address our Group's ESG-related risks. The ESG working group has to report to our Board on an annual basis on our ESG performance and the effectiveness of our ESG systems.

As advised by our PRC Legal Advisor, we were in compliance with the applicable environmental laws and regulations in all material respects during the Track Record Period and as of the Latest Practicable Date. As advised by the Australian Legal Advisor, having considered the business models and the major business operations of Regent RV, Snowy River RV Company and United RV, Australian environmental laws and regulations were not applicable to our business operations in Australia in material respects during the Track Record Period and as of the Latest Practicable Date.

Governance

Our Board views oversight and effective management of ESG related risks and opportunities essential to our ability to execute our growth strategies and achieve long-term sustainable growth. To that end, our Board receives regular updates on a variety of ESG topics, including sustainability and climate-related matters, as part of its annual, in-depth strategy and risk management sessions, as well as ongoing discussions and regular reports throughout the year.

At the management level, our ESG working group is responsible for ensuring climate-related risks and opportunities are fully integrated into our long-term business strategy. Our ESG working group oversees and reports to the Board on management's progress against our key strategic ESG objectives, covering various sustainability and climate-related topics and initiatives.

Strategy and Climate-related Risks and Opportunities

We integrate climate-related risks and opportunities into our larger corporate strategy to strengthen strategic decision-making with long-term, resilient operations in mind. We recognize that the regulatory environment for environmental protection is becoming increasingly stringent, posing significant operational and financial risks if not properly addressed. Stricter emissions controls, water usage restrictions, and waste management requirements could all impact our ability to maintain efficient and cost-effective production. Failure to meet these evolving regulations could also result in penalties, legal liabilities, and reputational damage.

We have established a comprehensive risk management framework that identifies, assesses and monitors key ESG-related risks, including those arising from climate change and other disruptive forces, across our operations. This includes conducting enterprise-wide risk assessments at least annually, with our Board and Audit Committee providing oversight of our risk management approach.

Based on these risk assessments, we have implemented the following key mitigating measures:

- Emissions reduction initiatives: We have invested in upgrading our production equipment and processes to improve energy efficiency and reduce air pollutant and greenhouse gas emissions. This includes transitioning to cleaner fuel sources, installing emissions control technologies, and optimizing production workflows.

- Resource conservation programs: To address our energy and water consumption, we have rolled out resource conservation initiatives such as implementing water recycling systems, upgrading to more efficient lighting and heating, ventilation and air-conditioning systems, and raising employee awareness on sustainable practices.

- Supplier engagement: We are actively engaging our suppliers to better understand and manage environmental impacts across our value chain. This includes collaborating on initiatives to reduce emissions, waste and resource use in raw material sourcing and logistics.

- Climate risk analysis: We incorporate climate-related physical and transition risks, such as extreme weather events and changes in regulations, into our regular risk assessment processes. If deemed material, we integrate these climate-related risks and opportunities into our strategic and financial planning.

The following tables specify further the ESG risks and opportunities of our Company.

Risk Type		Potential Financial Impact	Short (0–1 year)	Medium (1–5 years)	Long (5–20 years)	Mitigation Strategy
Transition Risks	Policy and Legal	International governments have imposed fuel consumption standards for motorized RVs, which are applicable to the motorized RVs to be launched by the Company by the end of 2024. Products that do not meet these requirements will be unable to be sold.	Medium risk	Medium risk	Medium risk	To comply with the new requirements for improving fuel efficiency, we will implement the following designs in our motorized RVs, aiming to reduce their weight by 15% to 20% compared to traditional RVs: 1. Lightweight structural design: We will utilize hollow subframes and add process holes to ensure structural strength while maximizing weight reduction. 2. Application of lightweight new materials: We will use lightweight materials such as polyurethane (PU) foam insulation boards, aviation aluminum panels, and polyurethane (PU) keels. 3. Weight-optimized furniture: We will use lightweight plywood and polyethylene terephthalate (PET) to make furniture to reduce the overall weight of RVs.

Risk Type		Potential Financial Impact	Short (0–1 year)	Medium (1–5 years)	Long (5–20 years)	Mitigation Strategy
Transition Risks	Policy and Legal	Increased pricing of greenhouse gas emissions due to regulations	Low risk	Low risk	Low risk	To cope with the PRC's national plans to achieve carbon neutrality by 2060, we have taken environmental protection measures, including reducing greenhouse gas emissions and energy consumption. Our strategy is primarily focused on avoiding and reducing emissions wherever possible.
		Increased compliance costs related to stricter environmental protection measures on existing products	Low risk	Low risk	Medium risk	We proactively engage with governments, regulators and industry organizations. Our Technical Department address increased interest in ESG and climate through the development of new products and research.
	Market	Reduced demand for goods and services due to shift in consumer preferences	Low risk	Low risk	Medium risk	Our management monitors the sales trend and market development to meet changing market demands.

Risk Type		Potential Financial Impact	Short (0–1 year)	Medium (1–5 years)	Long (5–20 years)	Mitigation Strategy
Physical Risks	Acute	Extreme weather disrupt the availability and production of raw materials used in our manufacturing process	Low risk	Low risk	Medium risk	We diversify our supplier base across various geographical areas to minimize the risk of simultaneous disruption due to localized weather event affecting a single area.
	Chronic	Increased cost related to persistently rising temperatures	Low risk	Low risk	Medium risk	We take energy-saving measures to reduce electricity consumption and eliminate unnecessary usage.

Opportunity Type	Potential Financial Impact	Short (0–1 year)	Medium (1–5 years)	Long (5–20 years)	Realization Strategy
Resources Efficiency	Reduced operating costs through efficiency gains and cost reductions	Low risk	Low risk	Low risk	We constantly seek energy-efficient alternatives and initiatives to implement throughout energy saving measures. We set environmental impact reduction targets, and assess our performance against these targets annually.
Products and Services	Increased revenue through demand for sustainable products	Low risk	Low risk	Medium risk	Our products offer an alternative mobility solution that can be more environmentally-friendly compared to traditional modes of transportation, and encourage people to choose a more sustainable way to explore the outdoors. We will keep educating our customers and raising their awareness about environmental issues.

Our Board, Audit Committee and ESG working group maintain ongoing oversight of our risk management approach, including reviewing the effectiveness of our mitigation measures and environmental, social and climate-related performance on an annual basis. We are committed to revising our ESG strategies as appropriate to address any evolving risks or opportunities.

Moreover, to push ourselves to strive for reduction of our Group's pollutants emissions, energy and water consumption, we set up a reduction target of 3% in the future one year, 7% in the future three years, and 10% in the future five years of compared to the usage in 2023. We believe these wide-ranging initiatives, supported by clear targets and senior management commitment, will be effective in mitigating our environmental impacts and ensuring compliance with evolving regulations. We remain vigilant in continuously reviewing and enhancing these programs to drive further performance improvements.

Our ESG working group will continue to explore the opportunities to reduce the pollutants emissions, energy and water consumption by working with our suppliers and internal staff by sourcing green materials, improving the efficiency and effectiveness of our production facilities, streamlining of our process flow etc. Our ESG working group will regularly report the effectiveness of measures and target achievement status to the Board regularly.

Metrics and Targets

Our Board sets targets for each material KPI at the beginning of each financial year in accordance with the disclosure requirements of Appendix C2 to the Listing Rules and other relevant rules and regulations upon listing. The relevant targets on material KPIs will be reviewed on an annual basis to ensure that they remain appropriate to our needs. In setting targets for the KPIs, we have taken into account their respective historical levels and have considered our future business expansion thoroughly and prudently with an aim to balance our business growth and environmental protection to achieve sustainable development.

Environmental

Greenhouse gas emissions

We regularly monitor the level of greenhouse gas ("**GHG**") emissions. Our greenhouse gas emissions are mainly resulted from the usage of fuel for logistics of RVs, and electricity used in our production and office sites. For 2021, 2022 and 2023, our greenhouse gas emissions are listed below:

	2021	**2022**	**2023**
Scope 1 *(tons of CO2-e)*	4.5	4.5	4.5
Scope 2 *(tons of CO2-e)*	1,075.3	1,089.0	1,352.4
Total *(tons of CO2-e)*	1,079.8	1,093.4	1,356.9
Total Intensity *(tons of CO2-e/revenue)*	0.004	0.002	0.002

Our scope 3 emissions are categorized into upstream and downstream activities in accordance with the Greenhouse Gas Protocol — A Corporate Accounting and Reporting Standard (Revised Edition) published by the World Business Council for Sustainable Development and the World Resources Institute, which include emissions resulting from extraction and production of raw materials and components (e.g. electric appliances) used in manufacturing our RVs, transportation and distribution of purchased raw materials and finished RVs for production, assembly and distribution and sale, respectively, disposal of our sold RVs at the end of their useful life and employees' business travels.

As a manufacturer of RVs, we recognize that scope 3 emissions likely represent a portion of our overall carbon footprint across our upstream and downstream value chain activities. However, we have not yet completed a comprehensive assessment to identify, quantify and categorize these scope 3 emission sources. This is an area we are actively working to improve, as we aim to enhance the transparency and completeness of our greenhouse gas emissions reporting. We are in the process of developing better data collection processes and engaging with our suppliers and other parties to gather the information needed to provide a more detailed breakdown of our scope 3 emissions in the future. We target to disclose the scope 3 greenhouse gas emissions performance in the financial year 2025. With 2025 as the base year, we plan to reduce the scope 3 greenhouse gas emissions per revenue by 3% in the future three years, and 5% in the future five years.

We target to gradually reduce the greenhouse gas emissions per revenue in the future one year of 3%, three years of 7%, and five years of 10% compared to the usage in 2023. We have implemented the following measures:

- Enhance our production facilitates to improve energy efficiency;
- Provide training to staff to enhance their awareness of energy saving; and
- Conduct continuous monitoring to ensure staff complying with the energy saving guidelines.

Environment and Natural Resources

Use of resources

We consume energy and water to support our daily business operation, primarily including production and office facilities. We evaluate our energy and water usage level using the metric of annual power usage and annual water usage, respectively. We endeavor to proactively conserve energy and water through various measures as described below. We also raise our employees' energy and water conservation awareness during our internal trainings. We intend to continuously make our efforts to reducing the level of our power and water usage in the future. The energy and water consumption during the Track Record Period are as follows:

	2021	**2022**	**2023**
Electricity Consumption *(MWh)*	1,784.4	1,786.5	2,186.4
Electricity Consumption Intensity *(MWh/revenue)*	0.006	0.004	0.003
Water *(m^3)*	16,238.0	14,334.0	17,407.0
Water Intensity *(cm^3/revenue)*	0.006	0.003	0.002

We intend to continuously reduce the level of our water and energy consumption. We target to gradually reduce the consumption of production utilities per revenue in the future one year of 3%, three years of 7%, and five years of 10% compared to the usage in 2023. We have implemented the following measures:

- Switch off the audio, air conditioning, lighting and other electrical appliances after the meeting, and conduct regular checks to ensure compliance by all employees;
- Strengthen the inspection of various types of pipelines, valves, pumps, gear boxes, etc., and promptly eliminate the phenomenon of running, popping, dripping, and leaking; and
- Organize the production department to continuously reform and innovate, minimize the emission of pollutants, strictly prohibit excessive water use, and maximize energy conservation, consumption reduction, emission reduction and efficiency improvement.

Waste Management

Our main hazardous wastes mainly comprise production wastes generated by our production facilities; our non-hazardous wastes are mainly production wastes generated by our production facilities and office. For the collection of hazardous wastes, we engage qualified third parties for treatment. The non-hazardous production wastes, for instance, waste metal, are collected by third-party recycling companies. The garbage and kitchen wastes are handled by government garbage collection department. Waste water for washing RVs are being recycled. Domestic waste water is discharged into the municipal sewage pipe network. We have obtained a discharge license valid until October 2027. The amount of hazardous wastes, non-hazardous wastes, and waste water discharged during the Track Record Period are as follows:

	2021	2022	2023
Hazardous Waste *(tons)*	23.8	42.6	37.1
Hazardous Waste Intensity *(kg/revenue)*	0.0001	0.0001	0.0001
Non-hazardous Waste *(tons)*	1,202.0	1,401.0	1,667.3
Non-hazardous Waste Intensity *(kg/revenue)*	0.004	0.003	0.002
Waste Water *(m^3)*	13,610.0	12,027.0	16,212.0
Waste Water Intensity *(cm^3)*	0.005	0.002	0.002

As part of our commitment to environmental protection, we have engaged a third-party inspection company to conduct an inspection of the waste water, air emissions and solid waste generated by our production site in April 2024. The standards we follow for emissions and discharges are all within statutory limits.

We intend to continuously reduce the intensity of our waste discharge per revenue in the future one year of 3%, three years of 7%, and five years of 10% compared to the usage in 2023 by implementing the following measures:

- Continue developing new production innovation to minimize the production waste and water discharge;
- Explore ways of recycling the production waste and water discharge; and
- Encourage paper conservation by printing on both sides of office papers and reusing one-sided printed papers.

Business Activities aligned with Climate-related Opportunities and Risks

We have integrated climate-related risks and opportunities into our corporate strategies so that strategic decisions can be strengthened to address these challenges. In the supplier selection process, we give priority to sustainable suppliers that prioritize environment-friendly practices when sourcing materials. During product design, we incorporate energy-efficient design principles into caravan manufacturing, including using lightweight materials to reduce fuel consumption. We also integrate renewable energy into our product by installing solar panel into RVs to generate clean energy. In manufacturing process, we implement initiatives to measure and reduce our carbon footprint. We optimize our production processes, reducing energy consumption, promoting waste reduction and recycling. Our management is confident that the company will benefit from climate-related opportunities in terms of revenue as our caravan products inspire individuals to embrace a more sustainable approach to outdoor exploration. Therefore, our revenue generated from new and used caravan sales are aligned with climate-related opportunities. However, since the financial effects on climate-related opportunities cannot be separately identifiable, we are unable to quantify the financial effects resulting from climate-related opportunities.

In terms of climate-related risks, our utility expenses and sewage charges are vulnerable to climate-related transition risks. The increased pricing of waste treatment and air emissions due to stricter regulations may lead to increased operating expenses. We estimate that approximately RMB2.8 million of utility expenses and sewage charges that we incurred in 2023 are vulnerable to climate-related transition risks. A portion of our cost of sales may also be vulnerable to climate-related transition risks. It is possible that the market would demand for more sustainable products, resulting in an increase in the cost of sales. In spite of this, we are confident that the cost of sustainable products would decrease as the market continues to mature. As a result, the effect on our cost of sales would be insignificant. Our assets are not materially subjected to physical risks, since our production facilities, warehouse and office are indoor. Nonetheless, we are aware of the need to strengthen our protection against future extreme climate risks and emergencies. We have set up a leading group for emergency response plan to deal with future occurrences of extreme weather events.

In order to ensure our production facilitates are in compliance with national environmental standards, we have invested approximately RMB6.08 million on environmental facilitates, including waste gas treatment facilitates, sewage collection and treatment, hazardous waste warehouse and solid waste disposal, and sound insulation facilitates.

Social Responsibilities

Health and Safety Working Environment

We have adopted and maintained a comprehensive set of rules, standard operating procedures, and measures to maintain our employees' healthy and safe environment. We implement safety guidelines to set out information about potential safety hazards. We require new employees to participate in safety training to familiarize themselves with the relevant safety rules and procedures. In addition, existing employees are required to attend refreshing training based on their roles and responsibilities, such as hazardous waste handling procedures. Moreover, monthly inspections are conducted at our production facilities to proactively identify and promptly address any potential hazards or unsafe areas.

In case safety-related incident occurs, our Safety Committee will submit incident report to the human resources department which then will report to the regulatory department. During the Track Record Period, there was no work-related fatality or material work-related injury.

Anti-Corruption

We have established anti-corruption policy by outlining the standards of behaviors for employees regarding business ethics, anti-corruption and anti-bribery, conflict of interests and data confidentiality to ensure that our business and operations are of high ethical standard. We also set up whistle-blowing channels for employees and external stakeholders to report any kinds of malpractices and suspected misconduct. Our Company protects the identity of whistle-blower and keeps the reported information confidential. Internal investigation will be undergone to verify the reported cases and remedial actions will be taken where necessary based on the result findings of the investigation.

Supply Chain Management

We embrace the close collaboration with a wide range of suppliers with diverse backgrounds, aiming to contribute additional values to our business. We have set up procurement management policy to specify our commitment in open, fair and effective competition in procurement process, and stringent management procedures to carefully select suppliers with high standard of business integrity and product and service reliability.

To proper manage the environmental and social risks of our supply chain, we have outlined our expectations and requirements, including environmental and social performance, in our procurement documents and contracts to ensure that suppliers fully understand and are obliged by the rules in our business activities. Based on the criteria of delivery, quality of materials and services, management system and price, we conduct regular performance assessments for our existing on-list suppliers to ensure the consistency of product and service quality. We will request all suppliers to take timely rectification in the event of any non-conformity is found. For those suppliers who consecutively fail to fulfill our required standards and are found in violation of laws and regulations, they will be removed from the approved supplier list.

HEALTH AND OCCUPATIONAL SAFETY

We are subject to various laws and regulations in respect of health and occupational safety. We have adopted and maintained a series of measures to maintain a healthy and safe environment for our employees. For example, we require new employees to participate in safety training to familiarize themselves with the relevant safety rules and procedures. In addition, we conduct on-site safety assessment and hazard identification, which help us enhance our overall health and safety management effectiveness. We have a system in place for recording and handling accidents. We have designated personnel responsible for handling work accidents and injuries as well as maintaining health and work safety compliance record. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material accidents in the course of our operations that resulted in claims for personal or property damages or compensation paid to employees.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We are subject to legal proceedings, disputes and claims that arise in the ordinary course of business. During the Track Record Period and up to the Latest Practicable Date, we were not a party to any material legal, arbitral or administrative proceedings, and we were not aware of any pending or threatened legal, arbitral or administrative proceedings against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

Compliance

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any material non-compliance incidents that have led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

DATA PROTECTION AND PRIVACY

We are committed to complying with data protection and privacy laws and protecting the security of user data. On the one hand, we are only engaged in manufacturing processes in the PRC, which does not involve in the collection and storage of user data. On the other hand, we generally do not collect personal information from individual customers as they are largely dealt with by our third party dealers in third party dealer stores, except for the data relating to our customers for product registration and warranty claims associated with the operations of Regent Company, Snowy River RV Company and the JV dealers, including their names, addresses, telephone numbers and emails at our JV stores and self-owned stores. In particular, we employ a variety of technologies to protect the data which we are entrusted. For instance, we store confidential personal data collected by us in encrypted format. We also take other technological measures to ensure secure processing, transmission and usage of data. To minimize access to sensitive data, we adopt an internal classification and grading system of sensitive data. Once sensitive data is classified and graded, only a small number of authorized personnel can access to such data. All data collected or preserved by us is stored in our own information system and will not be shared or transferred to any external person. We also adopt a comprehensive backup system whereby data will be backed up in different storage systems to ensure that the data we collected is well maintained. We also conduct periodic data recovery testing to ensure the data we collected is secured. Our compliance team is also tasked to monitor our business operations to ensure we are compliant with the latest applicable policies, rules and regulations, including ensuring the collection, use, storage, transmission and dissemination of the data collected are in compliance with applicable laws and with prevalent industry practice from the aspects of data privacy and cybersecurity. As advised by our PRC legal advisor and our Australian Legal Advisor, we were in compliance with the applicable laws and regulations on data privacy and security in all material respects during the Track Record Period and as of the Latest Practicable Date.

RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management

We are exposed to various risks during our operations. Our management has designed and implemented risk management and internal control systems consisting of policies and procedures that we consider to be appropriate for our business operations. We face key operational risks originating from changes in the overall market conditions relating to our industry, our ability to manage the growth of our business in anticipation of the growth of the market in which we operate, our competitiveness among industry peers and our compliance with ever-changing regulations and evolving industry standards. See "Risk Factors" for a discussion of various key risks and uncertainties that we face with respect to our business operations. We are committed to integrating a compliance culture into our everyday workflow and promoting corporate policies and procedures to strengthen our compliance status.

Our Board of Directors is responsible for establishing and maintaining adequate risk management and internal control systems, overseeing the overall risk management and assessing and updating our risk management policy on an annual basis.

In order to meet these challenges, we have established a risk management framework, which is summarized as follows:

- Our Audit Committee, established with experienced and competent personnel, is responsible for reviewing and overseeing the financial reporting system, risk management and internal control system of our Company, making recommendations to our Board of Directors on the appointment and removal of external auditors, and advising our Board of Directors on policies and practices in relation to corporate governance.

- Our Board of Directors is responsible for (i) formulating and supervising our overall risk management policy and objectives; (ii) reviewing and approving annual major risk management matters of our Company; (iii) reviewing the effective operation of the risk management system and providing guidance on our risk management approach to the risk and compliance department of our Company; (iv) approving risk assessment reports for major decisions; (v) approving risk assessment standards and major risk management solutions; and (vi) approving the Company's comprehensive annual risk management reports.

- The risk and compliance department of our Company is responsible for implementing our risk management policy and our day-to-day risk management practices. In order to standardize risk management across our Company and establish transparent and standardized risk management performance, the risk and compliance department of our Company will (i) improve risk management system, formulate comprehensive risk management policies and implement fundamental management process; (ii) coordinate relevant departments to prepare comprehensive annual work plans for risk management and facilitate their implementation; (iii) formulate risk assessment standards, and oversee the identification and evaluation of significant and critical risks within our Company; (iv) coordinate relevant departments to produce independent risk assessment reports concerning major plans, investment projects and new business; (v) monitor all departments to identify and evaluate significant and important risks within their respective departments and enhance risk control measures; and (vi) coordinate relevant departments to collect best practices and case studies on major risks from home and abroad.

Internal Control

We have developed and have been implementing a number of internal control policies and procedures that provide us a reasonable level of assurance that our objectives will be met, including those relating to effective and efficient operations, accurate financial reporting, and compliance with all relevant laws and regulations. Summarized below are the internal control policies and procedures we have adopted or will continue to adopt:

- Our Board of Directors and senior management are responsible for overseeing and managing the overall risks associated with our business operations.

- Our internal audit department conducts independent internal audit and regular review of internal reports, oversees the implementation of such policies, measures and procedures and reports to general manager of the Company directly.

- We have in place a code of conduct that requires all our employees adhere to the highest standards of ethics, integrity and behavior when dealing with our clients and other stakeholders.

- We have adopted various measures and procedures across our business operations, including sales and purchase management, production and inventory management, financial management, legal and compliance management, quality assurance, information disclosure, anti-corruption policy, intellectual property protection, environmental protection, occupational health and safety, etc. We provide our employees with regular training on these measures and procedures as part of our employee training program.

- Our Audit Committee reviews and evaluates our financial reporting system and internal control system on an ongoing basis to ensure that our systems are effective in identifying, managing and mitigating risks associated with our business operations.

We have engaged an independent internal control consultant to thoroughly assess our internal control system and procedures on a factual basis and to provide recommendations to bolster the effectiveness of our internal controls and corporate governance practices. The key areas of inspection include sales and procurement, R&D, production and inventory, human resource and remuneration, insurance, financial reporting, information technology, connected transaction, and taxation. We have adopted the recommendations made by our internal control consultant and they have not identified any material deficiencies in our internal control system.

We have also engaged Caitong International Capital Co., Limited as our compliance advisor to advise our Directors and management team until the end of the first fiscal year after the Listing regarding matters relating to the Listing Rules. Our compliance adviser will provide support and advice regarding requirements of relevant regulatory authorities under the Listing Rules in a timely manner.

OUR GROUP OF CONTROLLING SHAREHOLDERS

Our Group was founded by Mr. Miao, who is an executive Director, the chairman of the Board and the chief executive officer of our Group. As of the Latest Practicable Date, our group of Controlling Shareholders led by Mr. Miao comprises Mr. Miao himself, Ms. Wang (spouse of Mr. Miao), Ms. Miao (daughter of Mr. Miao and Ms. Wang), Snowy Limited, M.X.Z Holdings, Miao Wanyi Holdings, Miao Wanyi Trust, WDH Holdings and MWY Holdings. Our group of Controlling Shareholders, through Snowy Limited as the direct shareholder of our Company, held approximately 99.17% of the total issued share capital of our Company. Snowy Limited is owned as to (i) 1% by M.X.Z Holdings (a company wholly-owned by Mr. Miao) and (ii) 99% by Miao Wanyi Holdings (a company wholly-owned by the Miao Wanyi Trust, which was established by Mr. Miao as the settlor of the trust, with WDH Holdings, a company wholly-owned by Ms. Wang, and MWY Holdings, a company wholly-owned by Ms. Miao, as the beneficiaries of the trust).

Immediately following the completion of the Capitalization Issue and the Global Offering (assuming the Over-allotment Option is not exercised), our group of Controlling Shareholders will, collectively, continue to control in aggregate approximately 74.4% of our voting power and hence will remain as our Controlling Shareholders upon Listing.

No Competition Confirmation

Our Controlling Shareholders have confirmed that as of the Latest Practicable Date, none of them was interested in any business, other than our business, which competes or is likely to compete, either directly or indirectly, with our business, which requires disclosure pursuant to Rule 8.10 of the Listing Rules.

OUR RELATIONSHIP WITH THE GONOW GROUP

Since our inception in 2014, our business has been operating as an independent venture to explore and establish presence in the RV industry in Australasia, which was the third largest market for RV products in 2014 according to Frost & Sullivan, and is in closer proximity to China to leverage our production capabilities (in comparison to other two largest RV markets being North America and Europe). Through the incorporation of Regent Company and the acquisition of the assets and business associated with the Regent brand, our Group commenced our business to focus on the design, develop, manufacture, and sale of bespoke towable RVs in Australasia. For details, see "History, Reorganization and Corporate Structure — Corporate Development."

Mr. Miao, on the other hand, holds interest in the GONOW Group through Zhejiang Gonow. As of the Latest Practicable Date, Zhejiang Gonow, was held as to 65% by Mr. Miao and 35% by Shanghai Hongwan Technology, which was in turn held as to 55% by Ms. Wang as the general partner, and 45% by Ms. Miao as the limited partner. The GONOW Group commenced its business in September 2013, and is engaged in a wide range of businesses solely in the PRC, including, manufacture, sale and leasing of logistics-oriented electric vehicles, manufacture, leasing and sale of motorized RVs, manufacture of vehicle parts, operation of campsites and development of leisure and recreational platform. As such, there is clear geographical delineation between the business of the GONOW Group and our Group's business which have entirely different business focuses.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying out our business independently of our Controlling Shareholders and their respective close associates after the Listing.

Management Independence

Our Board comprises four executive Directors and three independent non-executive Directors. See "Directors and Senior Management" for more details of our Directors. Save for Mr. Miao, one of our executive Directors, the chairman of our Board and the chief executive officer of our Company who also remained as a director of Zhejiang Gonow (the holding company of the GONOW Group) and six subsidiaries of the GONOW Group, none of our Directors or senior management will hold any position in the GONOW Group. See "Directors and Senior Management" for biographical details of Mr. Miao.

We believe that our Directors and senior management can perform their duties in our Company independently from our Controlling Shareholders, for the following reasons:

- six out of seven members of our Board will be entirely independent from, and not having any role, in the GONOW Group;
- each of our Directors is aware of his or her fiduciary duties as a Director which require, among other things, that he or she must act for the benefit of and in the best interests of our Company and not allow his or her personal interests to interfere with our Company's best interests. In the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Company and a Director (e.g., Mr. Miao) or his or her respective close associates, he or she shall abstain from voting on any Board resolutions approving any contract, arrangement or any other proposal in which he or she or any of his or her close associates has a material interest and shall not be counted in the quorum present at the relevant Board meeting;
- our Board has a balanced composition of executive Directors and independent non-executive Directors which ensures the independence of our Board in making decisions affecting our Company. Specifically, (i) our independent non-executive Directors are not associated with Mr. Miao or his associates, (ii) our independent non-executive Directors account for over one-third of the Board, and (iii) our independent non-executive Directors individually and collectively possess the requisite knowledge and experience as independent directors of listed companies and will be able to provide professional and experienced advice to our Company. We believe that our independent non-executive Directors can bring independent judgment to the decision-making process of our Board and hence protect the interests of our Company and our Shareholders as a whole; and

- we will establish corporate governance measures and adopt sufficient and effective control mechanisms to manage conflicts of interest, if any, between our Group and Mr. Miao, which would support our independent management. See "— Corporate Governance Measures" for further details.

Operational Independence

Notwithstanding Property Lease Agreement (details of which are further elaborated below), we have operated, and will continue to operate, independently as a distinct and separate business from the business of the GONOW Group. We have independent management team to handle our day-to-day operations. We do not rely on our Controlling Shareholders and their close associates (including the GONOW Group) for our R&D, production and supply chain, sales and marketing, administration, facilities management or company secretarial functions, and have our own staff team and own departments specializing in these respective areas which have been in operation and are expected to continue to operate separately and independently from the Controlling Shareholders and their close associates (including the GONOW Group). We are also in possession of all relevant licenses and intellectual property rights necessary to carry on and operate our Group's business, and intend to utilize a portion of our proceeds to migrate to a new production base in Zhejiang province when appropriate. See "Future Plans and Use of Proceeds."

Connected Transactions

We conducted certain transactions with our Controlling Shareholders and/or their close associates during and subsequent to the Track Record Period. Among such connected transactions, one constituted an one-off connected transaction, and one will continue after the Listing as a continuing connected transaction of our Company under the Listing Rules.

Production facilities

As part of the Reorganization, our Group's business in the PRC, namely, the manufacturing, development, design and sale of towable RVs, has been transferred from Daide Longtree to Xing Longtree. See "History, Reorganization and Corporate Structure — Reorganization" for further details. To ensure a smooth transition and prevent any interruption to our manufacturing activities, we have entered into the Property Lease Agreement with Longtree Zhejiang, a subsidiary of the GONOW Group on April 30, 2024, for the use of the production facilities for manufacturing our Group's towable RVs for a term of five years. The Property Lease Agreement is recognized as right-of-use assets in accordance with HKFRS 16, constitutes an one-off connected transaction of our Group and is classified as an one-off acquisition of capital assets under the Listing Rules. See "Connected Transactions — One-off Connected Transaction" for further details.

Upon the Reorganization, we own all of the manufacturing machineries, electronics, equipment, inventories (including the rights of use of all necessary licenses, raw materials and semi-finished products) for the purpose of manufacturing our towable RVs. Hence, despite the Property Lease Agreement which provides the premise in which our manufacturing activities are and will be conducted, our business will be operated and conducted by our Group independently. We also intend to utilize a portion of our proceeds from the Global Offering for constructing our new production base in Zhejiang province when appropriate. See "Future Plans and Use of Proceeds" for details. As such, our Directors are of the view that we are able to operate independently from the GONOW Group in all material respects notwithstanding the Property Lease Agreement.

Supply and procurement

During and subsequent to the Track Record Period, our Group has procured RV parts for towable RVs from Shangqiu Jishun, a 30%-controlled company of Mr. Miao, for the purpose of manufacturing our Group's towable RVs. This transaction will constitute a continuing connected transaction of our Group upon the Listing under the Listing Rules. See "Connected Transactions — Partially-Exempt Continuing Connected Transaction — RV Parts Purchase Framework Agreement" for further details. The transaction amounts between our Group and Shangqiu Jishun amounted to nil, 0.6%, 2.2% and 3.7% of our total amount of purchase for the three years ended December 31, 2023, and for the six months ended June 30, 2024, respectively. Our Group has independent access to other suppliers that supply RV parts that can serve as substitutes of RV parts procured from Shangqiu Jishun at comparable terms, and has maintained an approved list of suppliers from which our Group can readily source substitutes form. As such, our Directors are of the view that the RV Parts Purchase Framework Agreement will not affect our operational independence.

The foregoing connected transactions are entered into in the ordinary and usual course of business of our Group and our Directors confirm that the terms of such transactions are determined at arm's length negotiations and are no less favorable to our Company than terms offered by independent third parties. Our Directors believe that the continuing connected transactions between our Company and our Controlling Shareholders and their close associates do not indicate any undue reliance by our Company on our Controlling Shareholders and are beneficial to our Company and our Shareholders as a whole.

Based on the above, our Directors believe that we are able to operate independently of our Controlling Shareholders and their close associates (excluding our Group).

Financial Independence

We have established our own finance department with a team of financial staff, who are responsible for financial control, accounting, reporting, group credit and internal control of our Company. Our finance department is able to function without any undue influence from our Controlling Shareholders. We have also established an internal control system, an independent audit system, a standardized financial and accounting system and have set our own accounting policy based on the applicable PRC accounting principle and standards. In addition, we have been and are capable of obtaining financing from independent third parties without relying on any guarantee or security provided by our Controlling Shareholders or their respective close associates (excluding our Group).

As of the Latest Practicable Date, there were no outstanding loans, advances or balances due to our Controlling Shareholders or their respective close associates, and there were no outstanding pledges or guarantees provided for our benefit by our Controlling Shareholders or their respective close associates.

Based on the above, our Directors are satisfied that we are able to maintain financial independence from our Controlling Shareholders and their respective close associates (excluding our Group).

DEED OF NON-COMPETITION

Each of our Controlling Shareholders, as covenantors, has entered into a non-competition agreement in favor of the Company on November 22, 2024 (the "**Deed of Non-competition**"), pursuant to which each of our Controlling Shareholders has unconditionally and irrevocably made the following undertakings, that, among other things:

(i) at any time during the Relevant Period (as defined below), he/she/it will not, and will procure its close associates (except any member of our Group) not to, whether directly or indirectly, in any manner (including but not limited to any joint venture, association, partnership, equity or debt participation or acting as agent, principal, trustee, employee or any other capacity) domestically or abroad, solely, through or by facilitation of third parties (be it a natural person, corporation, partnership or any organization), invest in, develop, engage in, participate in or acquire interest in the following businesses: (i) the design, development, manufacturer and sale of motorized RVs to other countries or regions other than the PRC (including but not limited to Australasia), (ii) the design, development, manufacturer and sale of towable RVs to other countries or regions other than the PRC (including but not limited to Australasia) and (iii) other business that competes, or may compete, directly or indirectly with the principal business (namely the design, manufacture, export and sales of bespoke towable RVs in Australasia) of our Group (the "**Restricted Business**");

(ii) each of the Controlling Shareholders will not to, at any time during the Relevant Period (as defined below), (a) participate in or be engaged in any activities which may be detrimental to the interests of our Group, or (b) induce or procure any of our customers, suppliers or key business partners to terminate its relationship with us; and

(iii) as of the date of the Deed of Non-competition, each of the Controlling Shareholders or any of their respective close associates (other than members of our Group) had not engaged in or participated in any Restricted Business, and had not held any direct or indirect interest in any company or enterprise engaged in the Restricted Business.

The above confirmations and/or covenants are not applicable to the following circumstances:

(i) the direct or indirect interests held by the Controlling Shareholders and/or his/her/its close associates (other than members of our Group) in members of our Group to conduct the Restricted Businesses;

(ii) the interests held by each of the Controlling Shareholders and/or his/her/its close associates (other than members of our Group) pursuant to the paragraph headed "— Options for New Business Opportunities" below where we decide not to proceed with the New Business Opportunities (as defined below); or

(iii) the interests held by each of the Controlling Shareholders and/or his/her/its close associates in any entities other than members of our Group, provided that (a) the aggregate number of shares or equity interest held by the Controlling Shareholders and/or their close associates (other than members of our Group) is less than 10% of any class of the issued shares or the entire equity interest of any such entity, and (b) none of the Controlling Shareholders and/or his/her/its close associates (other than members of our Group) has any right to appoint a majority of the board of directors of any such company nor participates in the management or daily operations of any such company.

In addition, under the Deed of Non-competition, each of our Controlling Shareholders unconditionally and irrevocably granted us the option to acquire new business opportunities and right of first refusal in respect of the Restricted Business.

Options for New Business Opportunities

Each of our Controlling Shareholders has unconditionally and irrevocably undertaken in the Deed of Non-competition that within 20 business days of he/she/it or any of its close associates (other than members of the Group) becomes aware of any new business opportunity in the Restricted Business that is being offered to it ("**New Business Opportunity(ies)**"), he/she/it shall and shall procure his respective close associates (other than members of our Group) to refer or recommend the New Business Opportunity by notifying us in writing and provide to us all necessary information, including but not limited to the nature and details of the new business, as well as cost of acquisition (the "**Offer Notice**") enabling us to consider (a) whether such New Business Opportunity is categorized as a Restricted Business, and (b) whether acquiring interest in such New Business Opportunity is in the interest of our Group. He/she/it is obliged to use his best efforts to procure that such opportunity is first offered to us on terms that are fair and reasonable and no less favorable than those terms first offered to him/it. It shall not engage, participate or hold any right or interest in any New Business Opportunity until the earlier of: (i) a written notice from us declining the offered opportunity, or (ii) our failure to respond within 20 business days, which may be extended by an additional 30 business days at our request, of our receipt of the Offer Notice.

Our independent non-executive Directors will be responsible for reviewing, considering and deciding whether or not to take up any New Business Opportunity referred to us by our Controlling Shareholder(s) or its/their respective close associate(s). Within seven business days of receipt of an Offer Notice, we will notify our independent non-executive Directors (excluding any independent non-executive Directors with conflict of interests) for their consideration. We will disclose in our annual report and make an announcement in due course on any decision to pursue or decline any New Business Opportunity and the basis of such decision.

Should there be any material changes in the terms and conditions of the New Business Opportunity that has been referred or recommended to us previously, the Controlling Shareholders or his close associates (other than members of our Group) shall follow the same procedures as set out above in providing us the Offer Notice reflecting the revised terms and conditions and the assistance in acquiring such revised New Business Opportunity.

Right of First Refusal

Each of our Controlling Shareholders has unconditionally and irrevocably undertaken that if he/she/it or any of his/her/its close associates intends to transfer, sell, lease, license or by any other means transfer or grant the right to any New Business Opportunity which has been offered to but has not been taken up by us, and has been retained by our Controlling Shareholder(s) or any of its/their close associates (the "**Proposed Transaction**"), then we shall have the right to be offered the Proposed Transaction on the same terms as, and before or at the same time of, the offer of the Proposed Transaction to any third party, in accordance with applicable laws and regulations, the articles of association, shareholders' agreements and shareholders' undertaking of our Controlling Shareholder(s) or its/their close associate(s) (as the case may be). He/she/it shall promptly notify us of the Proposed Transaction by written notice (the "**Selling Notice**"), which shall attach the terms of the Proposed Transaction and all information reasonably required by us to make a decision on whether or not to exercise our right of first refusal. Our Controlling Shareholder(s) or any of its/their close associates (as the case may be) shall not engage or participate in any Proposed Transaction with any third party until the earlier of: (i) a notice from us declining to exercise our right of first refusal, or (ii) our failure to respond to the issuance of the Selling Notice within 20 business days, which may be extended by an additional 30 business days at our request, of our receipt of the Selling Notice. The terms and conditions under which our Controlling Shareholder(s) enter into the Proposed Transaction shall be no more favorable than those offered to us.

Our independent non-executive Directors will be responsible for reviewing, considering and deciding whether or not to exercise our right of first refusal. Within seven business days of receipt of a Selling Notice, we will notify our independent non-executive Directors (excluding the independent non-executive Directors with conflict of interests) and furnish them with necessary information for their consideration.

If we decide to exercise our right of first refusal, the terms will be determined between the relevant Controlling Shareholder(s) or its/their close associate(s) (as the case may be) and us, in accordance with applicable laws and regulations and principles of fairness and reasonableness.

Any exercise of such options and right of first refusal described above would constitute connected transactions as defined under the Listing Rules and would be subject to the applicable disclosure and/or independent Shareholders' approval requirements under the Listing Rules. Under the Deed of Non-competition, each of our Controlling Shareholders has unconditionally and irrevocably undertaken that:

(a) as required by us, from time to time, provide or procure his/her/its close associates to provide us and our auditors with all corporate and financial information related to Restricted Businesses and New Business Opportunity(ies);

(b) to the extent that he/she/it does not violate any confidentiality agreement, as reasonably required by us or our auditors, provide material financial or corporate information about any third party transactions which may be required to determine whether each of the Controlling Shareholders has complied with the Deed of Non-competition;

(c) he/she/it will commit to, and procure his/her/its close associates to, provide us with the necessary information required for ascertaining the enforcement and compliance of the Deed of Non-competition, including annual confirmation of our Controlling Shareholders' and their close associates' compliance and enforcement of the Deed of Non-competition, which includes whether our Controlling Shareholders and their close associates have given priority in offering us New Business Opportunity(ies) and other confirmations that our independent non-executive Directors consider appropriate, and agree to have the foregoing confirmations be included in our announcements or annual/interim reports as required by the Listing Rules;

(d) he/she/it will allow us to disclose (i) the details of the Deed of Non-competition and (ii) any information relating to the Restricted Business or the New Business Opportunity to any legal, regulatory or securities exchange authorities, including but not limited to disclosures (i) required for the Listing; and (ii) relating to our decision on rejecting the New Business Opportunity in our announcements, annual/interim reports; and

(e) he/she/it will not, without our prior consent, make any public announcement regarding, or provide or disclose to any company, entity, organization or individual, any information about our business or any materials or information relating to the Deed of Non-competition.

We will disclose in our annual report and make an announcement in due course on any decision to exercise or waive applicable right of first refusal and the basis of such decision.

In order to monitor ongoing compliance with the Deed of Non-competition, we intend to adopt the following measures:

(a) provision to our independent non-executive Directors of any Offer Notice or Selling Notice received, within seven business days of receipt;

(b) disclosure in our annual reports of the findings of our independent non-executive Directors on each Offer Notice and/or Selling Notice received, and the basis of their decisions; and

(c) disclosure in our annual reports of the confirmation by our Controlling Shareholders of compliance with the Deed of Non-competition by them and their close associates.

Our Directors are of the opinion that our independent non-executive Directors have sufficient experience for the purposes of assessing such new business opportunities. In addition, our independent non-executive Directors may appoint financial advisors or other professional experts to advise them in connection with their consideration of exercise of rights under the Deed of Non-competition.

The Deed of Non-competition shall take effect from the date of Listing and will terminate upon the earlier of:

(a) our Controlling Shareholders and/or their close associates, individually or as a group, (other than any member of our Group) cease to be our Controlling Shareholders (as defined under the Listing Rules from time to time), or

(b) our Shares no longer being listed on the Main Board of the Stock Exchange (the "**Relevant Period**").

CORPORATE GOVERNANCE MEASURES

In order to further safeguard the interests of our minority Shareholders, we will adopt the following corporate governance measures to manage potential conflicts of interest between our Group and our Controlling Shareholders:

- our Controlling Shareholders will provide an annual confirmation that they are in compliance with their undertakings under the Deed of Non-competition for disclosure in our annual report;

- our independent non-executive Directors will review, on an annual basis, the compliance by our Controlling Shareholders of their undertakings under the Deed of Non-competition;

- our Controlling Shareholders will provide all information requested by our Company which is necessary for the review of any conflict of interest between our Group and Mr. Miao and the performance of the Deed of Non-competition, including an annual review by the independent non-executive Directors;

- our Company will disclose decisions on matters reviewed by the independent non-executive Directors relating to the compliance and enforcement of our Controlling Shareholders ' undertakings in our annual reports or by way of announcement to the public in compliance with the requirements of the Listing Rules;

- our Directors (including the independent non-executive Directors) will seek independent and professional opinions from external advisors at our Company's cost as and when appropriate in accordance with the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules;

- any transactions between our Company and its connected persons shall be in compliance with the relevant requirements of Chapter 14A of the Listing Rules, including the announcement, annual reporting and independent shareholders' approval requirements (if applicable) under the Listing Rules;

- in the event of any potential conflict of interests, our Director(s) with an interest in the relevant transaction(s) shall abstain from voting at the relevant Board meeting and shall not be counted towards the quorum in respect of the relevant resolution(s) at such Board meeting;

- in the event of any potential conflict of interests at the shareholders' level, our Controlling Shareholders shall abstain from voting at the Shareholders' meeting of our Company with respect to the relevant resolutions; and

- we have appointed Caitong International Capital Co., Limited as our Compliance Advisor to provide advice and guidance to us in respect of compliance with the Listing Rules, including various requirements relating to corporate governance.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Group and the Controlling Shareholders, and to protect minority Shareholders' interests after the Listing.

We set out below (i) our Group's one-off transaction with certain connected person before the Listing and (ii) certain transactions with connected persons that will constitute continuing connected transactions of our Group under Chapter 14A of the Listing Rules.

CONNECTED PERSONS

The following connected persons have entered into an one-off connected transaction or will enter into continuing connected transactions with us:

Connected persons	Connected relationship
Longtree Zhejiang	Longtree Zhejiang is a 30%-controlled company of Mr. Miao, our executive Director, our chairman of our Board and the chief executive officer of our Group, and one of our Controlling Shareholders.
Green RV	Green RV is a substantial shareholder of our subsidiary, Leisure Lion, and is a 30%-controlled company of Mr. Carl Green, a director of Leisure Lion.
Shangqiu Jishun	Shangqiu Jishun is a 30%-controlled company of Mr. Miao, our executive Director, our chairman of our Board and the chief executive officer of our Group, and one of our Controlling Shareholder.

SUMMARY OF OUR CONNECTED TRANSACTIONS

			Historical transaction amounts				Proposed annual cap		
			For the years ended December 31,			For the six months ended June 30,	For the years ended December 31,		
			2021	2022	2023	2024	2024	2025	2026
Transactions	Applicable Listing Rules	Waiver sought	('000)	('000)	('000)	('000)	('000)	('000)	('000)
One-off Connected Transaction									
Property Lease Agreement	N/A	N/A	RMB5,708	RMB5,708	RMB5,708	RMB5,708	N/A	N/A	N/A
Partially-exempt continuing connected transaction									
RV Parts Purchase Framework Agreement	Rule 14A.76 (2)	Announcement requirement	Nil	RMB1,806	RMB9,988	RMB6,831	RMB15,004	RMB18,985	RMB19,890
Green RV Dealership Agreement	Rule 14A.101	Announcement requirement	A$16,262 (equivalent to RMB78,588[Note])	A$29,094 (equivalent to RMB136,028[Note])	A$38,613 (equivalent to RMB181,140[Note])	A$21,395 (equivalent to RMB100,435[Note])	A$46,014 (equivalent to RMB219,257)	A$50,832 (equivalent to RMB245,354)	N/A

Note:

The equivalent amount in RMB is calculated based on the exchange rates of A$1.00:RMB4.8325, A$1.00: RMB4.6755, A$1.00:RMB4.6912 and A$1.00:RMB4.6943 for each of 2021, 2022 and 2023, and the six months ended June 30, 2024, respectively, which were the average exchange rates of each of the corresponding periods.

ONE-OFF CONNECTED TRANSACTION

Property Lease Agreement

Principal Terms

On April 30, 2024, our Company entered into a lease agreement with Longtree Zhejiang, pursuant to which Longtree Zhejiang agreed to lease the production facilities with a GFA of approximately 47,567 sq.m. located in Zhejiang province to our Company (the "**Property Lease Agreement**") for a term of five years commencing from April 30, 2024, which may be renewed as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations.

Pricing Policies

The annual rental amount, calculated on a RMB10.00 per square meter per month basis, for each of the years for the five years ending April 30, 2029 is RMB5,708,047.20. The annual rental amount was arrived at after arm's length negotiations with reference to (i) the rental price of the neighboring facility which is leased by Daide Longtree and to a tenant for a term of five years, being 2022 to 2027, of RMB10.00 per square meter per month and (ii) the market rental price of neighboring facilities which are generally in the range of approximately RMB9.00 to RMB10.50 per square meter per month. Our Directors are of the view that the transactions contemplated under the Property Lease Agreement are on normal commercial terms or better and the rent in particular is comparable to market rate in the same area. Our PRC Legal Advisor also confirmed that the terms of the Property Lease Agreement are valid, binding and enforceable against the parties thereto.

Reasons for the Transaction

Prior to the Reorganization, the manufacturing of our Group's towable RVs has been conducted in the production facilities owned by Longtree Zhejiang, which is the same premise under the Property Lease Agreement. See "History, Reorganization and Corporate Structure — Reorganization" for details of the Reorganization. Our Directors consider the existing production facilities best accommodates the manufacturing needs of the Company, and any relocation may cause disruption to our Group's operations and incur unnecessary costs.

Historical Amounts

For the three years ended December 31, 2023 and for the six months ended June 30, 2024, the total rental amount was approximately RMB5,708,000, RMB5,708,000, RMB5,708,000 and RMB5,708,000, respectively.

Accounting Treatment with respect to the Property Lease Agreement and Listing Rules Implication

According to applicable accounting standards, the Group as the lessee shall recognize a lease as a right-of-use asset in the consolidated statement of financial position of the Group pursuant to HKFRS 16. In this connection, the Property Lease Agreement constitutes an acquisition of capital asset and one-off connected transaction, instead of a continuing connected transaction for the Company under Chapter 14A of the Listing Rules. Accordingly, the reporting, announcement, annual review and independent shareholders' approval requirements in Chapter 14A of the Listing Rules will not be applicable.

PARTIALLY-EXEMPT CONTINUING CONNECTED TRANSACTION

RV Parts Purchase Framework Agreement

Principal Terms

On December 18, 2024, Xing Longtree entered into a RV Parts Purchase Framework Agreement (the "**RV Parts Purchase Framework Agreement**") with Shangqiu Jishun, pursuant to which Xing Longtree agreed to procure from Shangqiu Jishun certain RV parts, including primarily doors and windows, for the purpose of manufacturing our Group's RVs. The RV Parts Purchase Framework Agreement will be valid for a term of three year commencing from the Listing Date, which may be renewed as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations.

Pricing Policies

The price of the RV parts Xing Longtree procured from Shangqiu Jishun for the manufacturing of our Group's RVs shall be determined pursuant to the list prices (which will be subject to review and adjustment every six months) as stated in the RV Parts Purchase Framework Agreement. The said list prices are, and will be, determined with reference to (i) costs and expenses in the manufacturing of the RV parts, taking into account an acceptable level of profit margin (i.e. approximately 17%) of Shangqiu Jishun, (ii) market prices of the relevant RV parts at each adjustment to be made, (iii) the prices of the RV parts which are offered to our Group by independent third parties, and (iv) the historical prices transacted between our Group and Shangqiu Jishun (including the historical prices transacted between Daide Longtree, being the transaction party prior to the Reorganization, and Shangqiu Jishun). As confirmed by Frost & Sullivan, the above-mentioned cost-plus pricing mechanism, and the level of profit margin taken into account when setting the list prices is in line with the usual market practice for similar in the RV industry.

Reasons for the Transaction

Our Group is engaged in the business of design, development, manufacture and sale of bespoke towable RVs in Australasia. To balance our Group's need of RV parts for the manufacturing of RVs and to avoid over reliance on a certain supplier, our Group has purchased, and will continue to purchase, RV parts from suppliers that can offer products which are most compatible with our Group's RVs. Shangqiu Jishun has been our Group's supplier of RV parts during the Track Record Period. Sourcing new suppliers that produce RV parts that are compatible with our Group's RVs will incur unnecessary costs and cause disruption to our business operations. The purchase of RV parts from Shangqiu Jishun under the RV Parts Purchase Framework Agreement is in the ordinary and usual course of our business, and the prices and terms offered by Shangqiu Jishun to our Group are no more favorable than those offered to other dealers who are independent third parties.

Historical Amounts

For the three years ended December 31, 2023 and for the six months ended June 30, 2024, the purchase of materials from Shangqiu Jishun by the Group was approximately nil, RMB1,806,000, RMB9,988,000 and RMB6,831,000, respectively, representing nil, approximately 0.43%, 1.85% and 2.38% of the total amount of cost of sales of the corresponding periods.

Annual Caps and Basis for Annual Caps

The proposed annual caps for the transaction amounts under the RV Parts Purchase Framework Agreement for the three years ending December 31, 2026 are approximately RMB15.00 million, RMB18.99 million and RMB19.89 million, respectively.

The proposed annual caps are estimated primarily based on the following reasons and factors:

(i) the historical transaction amounts of purchase of materials between our Group and Shangqiu Jishun (including historical transaction amounts between Daide Longtree, being the transaction party prior to the Reorganization, and Shangqiu Jishun) during the three years ended December 31, 2023, which was nil, RMB1,806,000 and RMB9,988,000 for each corresponding financial year, respectively. As Shangqiu Jishun was incorporated in March 2021 and was at the preparation stage of business, we did not procure any RV parts from them in 2021. The transaction amounts between our Group and Shangqiu Jishun increased significantly in 2023 from 2022 due to (i) the increase in types of RV parts that Shangqiu Jishun was able to offer as their business developed and (ii) the increase in our Group's demand for RV parts with the surge in the number of RV deliveries given the increase in number of our dealers, self-owned stores and JV stores in 2023. For details of our business development during the Track Record Period, see "Business — Sales and Distribution." As our business continues to expand, we expect our demand for Shangqiu Jishun's RV parts (and hence the estimated transaction amounts) will correspondingly increase;

(ii) the anticipated increase in the amount of RV parts to be supplied by Shangqiu Jishun and the types of RV parts manufactured by Shangqiu Jishun that are compatible with our Group's RVs. During the three years ended December 31, 2023, as Shangqiu Jishun's business developed and the transactions between our Group and Shangqiu Jishun increased, Shangqiu Jishun has developed a better knowledge of the specifications of our Group's different brands and models of RVs, and therefore has been able to provide more types of RV parts that are compatible with our Group's RVs. From 2022 to 2023, the types of RV parts supplied by Shangqiu Jishun had increased from 13 to 32, and is expected to further increase to more than 37 types for the three years ending December 31, 2026. In addition, as Shangqiu Jishun's production capacity also continues to expand, it is expected that they will be able to manufacture and supply RV parts in a larger volume for the three years ending December 31, 2026;

(iii) the anticipated continuous increase in our Group's demand for RV parts as a result of the expansion of our Group's business in the near future. As we continue to expand our production capacity and product collection, the increase in the number of delivery units of our RVs would result in a higher demand in RV parts. While we also engage other independent suppliers to supply RV parts for our RVs, we expect the transaction amounts with Shangqiu Jishun for 2025 and 2026 would remain relatively high; and

(iv) the estimated market prices for the RV parts for the three years ending December 31, 2026.

Listing Rules Implication

The highest applicable percentage ratio for each of the proposed annual caps for the three years ending December 31, 2026 calculated under Chapter 14A of the Listing Rules, is expected to exceed 0.1% but less than 5% on an annual basis. Pursuant to Chapter 14A of the Listing Rules, the transactions under the RV Parts Purchase Framework Agreement will constitute partially-exempt continuing connected transactions upon Listing, and will be exempt from the circular and independent shareholders' approval (including recommendation from an independent financial advisor) requirements, but will be subject to announcement requirements and annual reporting requirements under Chapter 14A of the Listing Rules.

Waiver Application

As the transactions under the RV Parts Purchase Framework Agreement are expected to be carried out on a recurring basis and will be carried out from time to time, our Directors consider that strict compliance with the aforesaid requirements will be impractical and may lead to unnecessary administrative costs to our Company.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted, pursuant to Rule 14A.105 of the Listing Rules, waiver from strict compliance with the announcement requirement under Rules 14A.35 of the Listing Rules in respect of the transactions contemplated under the RV Parts Purchase Framework Agreement, provided that the total amount of transactions for each of the three years ending December 31, 2026 will not exceed the relevant proposed annual caps as set out in this section.

The independent non-executive Directors and auditors of our Company will review whether the transactions under the RV Parts Purchase Framework Agreement have been entered into pursuant to the principal terms and pricing policies under the agreement. The confirmation from our independent non-executive Directors and our auditors will be disclosed annually according to the requirements of the Listing Rules.

Green RV Dealership Agreement

Principal Terms

On May 14, 2024, Regent Company entered into a dealership agreement, as amended by a supplemental agreement dated December 19, 2024 (together, the "**Green RV Dealership Agreement**") with Green RV, pursuant to which Green RV agreed to act as a non-exclusive dealer of Regent Company and Regent Company agreed to supply RVs and RVs associated products and merchandise (the "**RVs and RV Parts**") to Green RV for sale and distribution in Australia, for a term of one year commencing from the Listing Date, which may be renewed for another one year term as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations. The term of the Green RV Dealership Agreement is therefore expected to last two years in total if the renewal is made.

Pricing Policies

The price of the RVs and RV Parts sold from the Group to Green RV for its distribution as our non-exclusive dealer shall be determined under the separate purchase orders made under the Green RV Dealership Agreement, which shall be referenced to the set of unified national-based list prices which our Group offers to all of its dealers from time to time. The said list prices shall be determined based on (i) costs and expenses in the manufacturing of the RVs and RV Parts, taking into account an acceptable level of profit margin of both our Group and Green RV, which ranges from 10% to 30%, and (ii) market prices of the RVs and RV Parts at the relevant time. As confirmed by Frost & Sullivan, the above-mentioned cost-plus pricing mechanism adopted between a manufacturer and a dealer and the level of profit margin incorporated when setting the list price is in line with the usual market practice in the RV industry.

Reasons for the Transaction

Our Group is engaged in the business of design, development, manufacture and sale of bespoke towable RVs in Australasia and our Group conducted the sale of towable RVs through third-party dealers which are located in Australia and New Zealand. As of June 30, 2024, our Group had nine third-party dealers in Australia and two third-party dealers in New Zealand. Our sales and distribution network with dealers is crucial to our Group's business as it allows our Group to effectively reach customers across Australia and New Zealand while mitigating substantial overhead costs. See "Business — Sales and Distribution" for details of our operations with dealers. Our Directors believe our Group can continuously enhance our sales coverage by leveraging the expertise of sales processes, benchmarking, training programs and software development of Green RV. The sales of RVs and RV Parts to Green RV under the Green RV Dealership Agreement is in the ordinary and usual course of our business, and the prices and terms offered by our Group to Green RV are no more favorable than those offered to other dealers which are independent third parties.

Historical Amounts

For the three years ended December 31, 2023 and for the six months ended June 30, 2024, the total amount of our sales to Green RV was approximately A$16,262,000 (equivalent to RMB78,588,000[Note]), A$29,094,000 (equivalent to RMB136,028,000[Note]), A$38,613,000 (equivalent to RMB181,140,000[Note]) and A$21,395,000 (equivalent to RMB100,435,000[Note]), respectively, representing approximately 25.1%, 27.3%, 26.2% and 23.8% of the total amount of revenue of the corresponding periods.

Annual Caps and Basis for Annual Caps

The proposed annual caps for the transaction amounts under the Green RV Dealership Agreement is A$46.0 million (equivalent to RMB222.0 million) for the year ending December 31, 2024 and A$50.83 million (equivalent to RMB245.4 million) for the year ending December 31, 2025, respectively. The proposed annual caps are estimated primarily based on the following reasons and factors:

(i) the historical transaction amounts, including the total amount of sales of RVs and RV Parts to Green RV for the three years ended December 31, 2023. During the three years ended December 31, 2023, our revenue increased by 66.4% from 2021 to 2022, and further increased by 44.4% from 2022 to 2023, primarily due to the increase in the number of RVs delivered to our customers, which had increased by 59.9% from 2021 to 2022 and 26.7% from 2022 to 2023. During the three years ended December 31, 2023, the historical transaction amounts under the Green RV Dealership Agreement has a year-on-year increase of 73.1% from 2021 to 2022 and 33.2% from 2022 to 2023, which was generally in line with the

Note:

The equivalent amount in RMB is calculated based on the exchange rates of A$1.00:RMB4.8325, A$1.00: RMB4.6755, A$1.00:RMB4.6912 and A$1.00:RMB4.6943 for each of 2021, 2022 and 2023 and the six months ended June 30, 2024, respectively, which were the average exchange rates of the corresponding periods.

abovementioned trend of significant increase in revenue for the corresponding periods. In determining our annual caps, we have taken into consideration the increasing trend in the delivery units of our RVs as we continue to expand our production capacity and product collection, and the proportion of sales to Green RV contributed to our total revenue during the three years ended December 31, 2023. For details of our production expansion plan, see "Future Plans and Use of Proceeds — Use of Proceeds." As our production capacity and production collection expand, we will be able to increase the delivery units to our dealers (including Green RV) for sale. As such, we expect the transaction amounts with Green RV will also increase proportionally for 2024 and 2025;

(ii) the anticipated year-on-year increase of approximately 3% in list prices for the RVs and RV Parts which are adjusted based on the professional judgment of Regent Company's management members with reference to estimated increase in operational costs (including labor costs, material costs and administrative costs) due to inflation and the market conditions; and

(iii) the anticipated growth of our Group's business which leads to an increase in demand for our Group's RVs and RV Parts. As confirmed by Frost & Sullivan, it is expected that the market size of the RV industry in Australasia will continue to grow and towable RVs will continue to dominate the Australasian RV market for 2024 and 2025. As we continue to expand the sales and distribution network of our Group, we expect to expand our customer base by enhancing our brand image and reputation, which would in turn drive up the demand of our Group's RVs.

Listing Rules Implication

As of the Latest Practicable Date, Green RV was a substantial shareholder of our subsidiary, Leisure Lion, and a 30%-controlled company of Mr. Carl Green, a director of Leisure Lion. Therefore, Green RV is a connected person of our Company at the subsidiary level. Given that (i) our Board has approved the Green RV Dealership Agreement and the transactions contemplated thereunder and (ii) all the independent non-executive Directors have confirmed that the terms of the Green RV Dealership Agreement are fair and reasonable, on normal commercial terms or better and in the interests of our Company and the Shareholders as a whole, the transactions contemplated thereunder are subject to the reporting, annual review and announcement requirements, but exempt from independent Shareholders' approval requirement pursuant to Rule 14A.101 of the Listing Rules.

Waiver Application

Our Directors (including our independent non-executive Directors) are of the view that the Green RV Dealership Agreement benefits our business operations, given the importance of the distribution network of our dealers to the expansion for our sales coverage. As the transactions under the Green RV Dealership Agreement are expected to be carried out on a recurring basis and will be carried out from time to time, our Directors consider that strict compliance with the aforesaid requirements will be impractical and may lead to unnecessary administrative costs to our Company.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted, pursuant to Rule 14A.105 of the Listing Rules, waiver from strict compliance with the announcement requirement under Chapter 14A of the Listing Rules in respect of the Green RV Dealership Agreement.

The independent non-executive Directors and auditors of our Company will review whether the transactions under the Green RV Dealership Agreement have been entered into pursuant to the principal terms and pricing policies under the agreement. The confirmation from our independent non-executive Directors and our auditors will be disclosed annually according to the requirements of the Listing Rules.

CONFIRMATION FROM OUR DIRECTORS

Our Directors (including our independent non-executive Directors) consider that the partially non-exempt continuing connected transactions under the RV Parts Purchase Framework Agreement and Green RV Dealership Agreement, including but not limited to terms and annual caps thereof, have been entered into and will be entered into, as applicable, (i) in the ordinary and usual course of our business; (ii) on normal commercial terms or better, and (iii) are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

CONFIRMATION FROM THE SOLE SPONSOR

The Sole Sponsor has reviewed the relevant information prepared and provided by our Company in relation to the continuing connected transactions described in this section. Based on the above, the Sole Sponsor is of the view (i) that the transactions under the RV Parts Purchase Framework Agreement and Green RV Dealership Agreement have been and will be entered into in the ordinary and usual course of business of the Company on normal commercial terms or better that are fair and reasonable and in the interests of the Company and its Shareholders as a whole, and (ii) that the proposed annual caps for the partially-exempt continuing connected transactions described in this section are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INTERNAL CONTROL MEASURES

In order to ensure that (i) the terms under the RV Parts Purchase Framework Agreement and Green RV Dealership Agreement are fair and reasonable, and no more favorable to Shangqiu Jishun and Green RV than terms available to independent third parties, and (ii) the continuing connected transactions thereunder are carried out under normal commercial terms or better, we will adopt the following internal control procedures upon the Listing:

- our Board and the finance department of our Group will be jointly responsible for evaluating the transactions under the RV Parts Purchase Framework Agreement and Green RV Dealership Agreement, in particular, the fairness of the pricing policies and annual caps to ensure compliance with the Listing Rules;

- our Board and the finance department of our Group will be jointly responsible for reviewing our Group's list of connected persons and information about the continuing connected transactions contemplated under the RV Parts Purchase Framework Agreement and Green RV Dealership Agreement to ensure such information is consistent, accurate and complete, and in compliance with the Listing Rules;

- our Board and the finance department of our Group will regularly monitor the fulfillment status of the annual caps and the transaction updates under the RV Parts Purchase Framework Agreement and Green RV Dealership Agreement;

- our Board and the finance department of our Group will regularly monitor the continuing connected transactions under the RV Parts Purchase Framework Agreement and Green RV Dealership Agreement and shall timely report to the finance department and our Board once they are made aware of any non-compliant matters or that certain connected transactions have been restricted by any regulatory authorities; and

- our independent non-executive Directors and auditors will conduct annual review of the continuing connected transactions under the RV Parts Purchase Framework Agreement and Green RV Dealership Agreement and provide annual confirmation to ensure that, in accordance with the Listing Rules, the transactions are conducted in accordance with the terms and pricing policies of the agreement, and are on normal commercial terms or better.

BOARD OF DIRECTORS

The Board consists of seven Directors, including four executive Directors and three independent non-executive Directors. The following table sets forth certain information regarding the Directors.

Name	Age	Date of joining the Group	Date of appointment as a Director	Position	Responsibilities	Relationship with other Directors and senior management
Mr. MIAO Xuezhong (繆雪中)	53	February 19, 2014	May 17, 2022	Executive Director, chief executive officer of our Group and chairman of the Board	Day-to-day management, strategic planning and overall operations of the Group	Nil
Mr. LIU Tao (劉濤)	47	March 20, 2023	May 22, 2024	Executive Director and chief financial officer of our Group	Overall financial management of the Group	Nil
Ms. LIU Qin (劉芹)	37	September 1, 2014	May 22, 2024	Executive Director and general manager of our Group	Day-to-day management and strategic planning of the Group and day-to-day management of our Group's PRC operations	Nil
Mr. Andrew Robert CRANK	52	May 11, 2020	May 22, 2024	Executive Director and general manager of our Group	Day-to-day management and strategic planning of the Group and day-to-day management of our Group's Australian operations	Nil
Mr. YU Mingyang (余明陽)	60	May 22, 2024 (effective from the prospectus date)	May 22, 2024 (effective from the prospectus date)	Independent non-executive Director	Supervising and providing independent advice on the operation and management of our Group	Nil
Ms. HE Jie (何潔)	44	May 22, 2024 (effective from the prospectus date)	May 22, 2024 (effective from the prospectus date)	Independent non-executive Director	Supervising and providing independent advice on the operation and management of our Group	Nil
Ms. NG Weng Sin (吳永蒨)	52	May 22, 2024 (effective from the prospectus date)	May 22, 2024 (effective from the prospectus date)	Independent non-executive Director	Supervising and providing independent advice on the operation and management of our Group	Nil

Executive Directors

Mr. MIAO Xuezhong (繆雪中), aged 53, is our founder, an executive Director, the chief executive officer of our Group and the chairman of the Board. Mr. Miao was appointed as a Director on May 17, 2022. Mr. Miao has been leading our Group since February 2014 when he assumed office as the chief executive officer of Daide Longtree, one of our major operating entities of our Group's business during the Track Record Period. He was re-designated as an executive Director on May 22, 2024 and is primarily responsible for day-to-day management, strategic planning and overall operations of the Group.

Prior to establishing our Group, Mr. Miao established Zhejiang Gonow which had later developed into the GONOW Group. He has acted as a director of Zhejiang Gonow and served on several roles in its subsidiaries since its incorporation in November 2009. For details of the GONOW Group, see "Relationship with our Controlling Shareholders — Our Relationship with the GONOW Group." From December 2010 to May 2016, Mr. Miao served as the vice chairman of the board of directors of GAC Motor (Hangzhou) Co., Ltd (廣汽乘用車(杭州)有限公司) (formerly known as GAC Passenger Vehicle (Hangzhou) Co., Ltd* (廣州汽車集團乘用車(杭州)有限公司) and GAC Ji'ao Automobile Co., Ltd* (廣汽吉奧汽車有限公司)). From September 2003 to December 2010, Mr. Miao acted as the chairman of the board of directors of Zhejiang Ji'ao Automobile Ltd* (浙江吉奧汽車有限公司). Prior to that, Mr. Miao had also served as a supervisor at Shanghai Gonow Sunshine Plat Co., Ltd.* (上海吉奧陽光板有限公司) and Shanghai Huita Sunshine Plate Co., Ltd* (上海匯塔陽光板有限公司), from September 2002 to April 2008 and from July 2002 to February 2005, respectively. From October 1999 to June 2002, Mr. Miao worked at different subsidiaries of Geely Automobile Group Co., Ltd. (吉利汽車集團有限公司), with his last position as the president of Zhejiang Geely Automobile Co., Ltd. (浙江吉利汽車有限公司), where he was responsible for overseeing the overall operations of the group.

Mr. Miao obtained a certificate to recognize his further education in business administration from Hong Kong Finance and Economics College in June 2009.

Mr. Miao has been elected as a representative of the Taizhou Municipal People's Congress (台州市人大代表) in March 2005, awarded with Brand China (Automotive Industry) Person of the Year (品牌中國(汽車產業)年度人物) presented by the Top Brand Union (品牌聯盟) in December 2012, and 2013 New Economic Leader of China (2013中國經濟新領導人物) presented by 2013 China Economic Peak Forum (2013中國經濟高峰論壇). He was also previously elected as a vice president of the Zhejiang Young Entrepreneurs Association (浙江省青年企業家協會副會長).

Mr. Miao was a supervisor or person-in-charge of the following companies at the time of their respective revocation of business license. The relevant details are as follows:

Name of company	Place of incorporation	Position held	Nature of business	Date of revocation	Reasons for revocation
Hanzhong Gonow Automotive Co., Ltd.* (漢中吉奧汽車有限公司)	PRC	Supervisor	Manufacturing and sales of automobile accessories and motorcycle accessories	June 28, 2016	Long-term inactivity of business operation
Shanghai Gonow Sunshine Plate Co., Ltd.* (上海吉奧陽光板有限公司)	PRC	Supervisor	Manufacturing and sales of wooden plates and plastic steel plates	February 21, 2005	Long-term inactivity of business operation
Shanghai Huita Sunshine Plate Co., Ltd.* (上海匯塔陽光板有限公司)	PRC	Supervisor	Manufacturing and sales of sunshades	April 14, 2008	Long-term inactivity of business operation
Linhai Fenghuolun Motorcycle Sales Co., Ltd.* (Jinjiang Branch) (臨海市風火輪摩托車銷售有限公司晉江分公司)	PRC	Person-in-charge	Sales of motorcycle and motorcycle accessories	December 25, 2001	Long-term inactivity of business operation

Mr. Miao confirmed that, to the best of his knowledge and belief, (i) each of the above companies was solvent immediately prior to their respective revocation; (ii) as of the Latest Practicable Date, no claims had been made against him and he was not aware of any threatened or potential claim which has been or could potentially be made against him and there were no outstanding claims and/or liabilities as a result of such revocation; and (iii) there was no wrongful act on his part leading to the revocation of the above companies.

Mr. LIU Tao (劉濤), aged 47, is an executive Director and our Group's chief financial officer. Mr. Liu joined our Group as the chief financial officer in March 2023 and was appointed as an executive Director on May 22, 2024. He is primarily responsible for overall financial management of the Group.

From March 2022 to April 2023, Mr. Liu served as the vice president of financial department at Hangzhou Hongjing Drive Technology Co., Ltd.* (杭州宏景智駕科技有限公司), an autonomous driving solutions provider in the PRC, where he was responsible for investment financing activities and finance-related matters. From February 2020 to January 2022, Mr. Liu served as the chief financial officer at Zhejiang Tiancheng Controls Co., Ltd. (浙江天成自控股份有限公司), a company primarily engaged in the business of vehicle seats and which was listed on the Shanghai Stock Exchange (stock code: 603085), where he was responsible for the management of financing and investment activities. From October 2018 to December 2019, Mr. Liu served as the chief financial officer at Healthcare Co., Ltd (夢百合家居科技股份有限公司), a company primarily engaged in the business of household products and listed on the Shanghai Stock Exchange (stock code: 603313), where he was responsible for investment and financing activities and finance-related matters. From October 2014 to April 2018, Mr. Liu worked at Axalta Coating Systems (Shanghai) Co., Ltd.* (艾仕得塗料系統(上海)有限公司) ("**Axalta Coating Shanghai**"), where he served as the operations control manager and the chief financial officer of Shanghai Axalta Jinlitai

Coatings Co., Ltd.* (上海艾仕得金力泰塗料有限公司), a subsidiary of Axalta Coating Shanghai. From July 2011 to September 2014, Mr. Liu served as the financial manager of North China region at Flextronics Electronic Technology (Shanghai) Co., Ltd.* (偉創力電子科技(上海)有限公司), a wholly-owned subsidiary of Flex Ltd. (偉創力集團), a company listed on the NASDAQ (stock code: FLEX), where he oversaw the overall financial management of the company. From April 2010 to June 2011, Mr. Liu served as the senior manager of the internal audit department of Jintianyuan (China) Investment Co., Ltd. (Shanghai Branch)* (金天源(中國)投資有限公司上海分公司), where he was responsible for overseeing internal audit work. From February 2007 to April 2010, Mr. Liu worked at Deloitte Touche Tohmatsu (Singapore) (德勤會計師事務所(新加坡)), where he served as the audit manager and was responsible for providing audit work to clients. From January 2004 to April 2007, Mr. Liu served as the senior auditor at the risk advisory services department at BDO Accounting Firm (Singapore) (立信會計師事務所(新加坡)). From September 2001 to June 2004, Mr. Liu worked at Harbin Institute of Technology Bada Group* (哈爾濱工業大學八達集團).

Mr. Liu obtained his bachelor's degree in management majoring in accounting from Harbin Institute of Technology (哈爾濱工業大學) in the PRC in July 2001. Mr. Liu obtained his Certified Public Accountant certificate issued by The Association of Chartered Certified Accountants in July 2007. He also obtained his Singapore Chartered Accountant qualification issued by the Institute of Singapore Chartered Accountants in July 2013.

Ms. LIU Qin (劉芹), aged 37, is an executive Director and a general manager of our Group. Ms. Liu joined our Group as a project manager and public relations manager of Daide Longtree in September 2014 and has been serving as the general manager of Daide Longtree from January 2022 to May 2024. She has been serving as a general manager of our Group since our incorporation, and was appointed as an executive Director on May 22, 2024. Ms. Liu is primarily responsible for the day-to-day management and strategic planning of the Group and day-to-day management of our Group's PRC operations.

From March 2012 to September 2014, Ms. Liu worked at Ordos (Wuhan) Forest River Automobile Co., Ltd.* (鄂爾多斯(武漢)森林河汽車有限公司).

Ms. Liu obtained her bachelor's degree in English from Central South University (中南大學) in June 2010.

Mr. Andrew Robert CRANK, aged 52, is an executive Director and a general manager of our Group. Mr. Crank joined our Group as the general manager of Regent Company in May 2020, and has been appointed as a director in March 2022. Mr. Crank has been appointed as a general manager of our Group since our incorporation, and was appointed as an executive Director on May 22, 2024. He is primarily responsible for day-to-day management and strategic planning of the Group and day-to-day management of our Group's Australian operations.

From July 2017 to June 2020, Mr. Crank worked at Jayco Corporation Pty Ltd, an established RV company in Australia. From April 2000 to November 2017, Mr. Crank served as a director at Actco-Pickering Metal Industries Pty Ltd ("**APMI**"), a privately owned and operated metal manufacturing conglomerate, where he was mainly responsible for day to day management of the business. During this period, he assumed the office of director of finance in 2000, director of operations & projects from 2001 to 2017 and director of design and R&D in 2005. At the same time, he commenced the Trade Service Bodies division (now known as Ridgeback Service Bodies), an internal division of APMI. He also held the role of general manager and sales manager of Pioneer Campers in 2011, which was internal division of APMI and an award-winning manufacturer of off-road camper trailers. From October 1995 to August 2000, Mr. Crank served as a managing director at Surcan Projects Pty Ltd, where he was mainly responsible for day-to-day management of the company.

Mr. Crank obtained his associate diploma of engineering from Box Hill College of Technical and Further Education in Australia in December 1993.

Independent Non-executive Directors

Ms. HE Jie (何潔), aged 44, has been appointed as an independent non-executive Director of the Company with effect from December 31, 2024. She is primarily responsible for supervising and providing independent advice on the operation and management of the Group.

Since January 2024, Ms. He served as the business development executive for Lotus Cars Limited. From November 2023 to December 2023, Ms. He worked at Shanghai Lotus Information Technology Services Co., Ltd. (上海路特斯信息技術服務有限公司). From December 2014 to August 2022, Ms. He worked at FCA Asia Pacific Investment Co., Ltd., a subsidiary of Fiat Chrysler Automobiles N.V., a multinational automobile listed on the New York Stock Exchange (stock code: FCAU). From January 2014 to November 2014, Ms. He worked at Fiat (China) Commercial Co. Shanghai Branch (菲亞特(中國)商務有限公司上海分公司). From February 2006 to June 2011, Ms. He served as a senior associate in Gide Loretta Nouel (Shanghai Rep Office), where her practice focused on cross-border merger and acquisition transactions, foreign direct investment in China and real estate transactions in China.

Ms. He obtained her bachelor's degree in law from East China University of Political Science and Law (華東政法大學) in the PRC in July 2003. Ms. He obtained her master's degree in law from Chicago Kent College of Law in the U.S. in May 2004. Ms. He has also been pursuing her master of business administration degree (Global Executive MBA program) from University of Toronto in Canada since 2023. Ms. He was admitted to New York State Bar in May 2004.

Mr. YU Mingyang (余明陽), aged 60, has been appointed as an independent non-executive Director of the Company with effect from December 31, 2024. He is primarily responsible for supervising and providing independent advice on the operation and management of the Group.

Currently, Mr. Yu is serving as the dean of the Institute of Chinese Enterprises Development of Shanghai Jiao Tong University (上海交通大學中國企業發展研究院). He has also served as a professor and doctoral supervisor at Antai College of Economics and Management of Shanghai Jiao Tong University (上海交通大學安泰經濟與管理學院) since September 2005.

Apart from being an academia, Mr. Yu also served as a director at various listed companies. From July 2023 to August 2024, Mr. Yu served as a non-executive director of Jinhai Med Tech Limited (今海醫療科技股份有限公司), a company listed on the Stock Exchange (stock code: 02225). From January 2021 to January 2024, Mr. Yu served as an independent director of Golden Home Living Co., Ltd. (金牌廚櫃家居科技股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603180). From September 2007 to January 2016, Mr. Yu served as an independent non-executive director of Carpenter Tan Holdings Limited (譚木匠控股有限公司), a company listed on the Stock Exchange (stock code: 837). From March 2011 to April 2015, Mr. Yu served as an independent director of Shandong Homey Aquatic Development Co., Ltd. (山東好當家海洋發展股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600467). From June 2007 to March 2010, Mr. Yu served as an independent director of Zoneco Group Co., Ltd. (獐子島集團股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002069). From November 2000 to May 2002, Mr. Yu served as the general manager of Shede Spirits Co. (捨得酒業股份有限公司) (formerly known as Tuopai Qujiu Co., Ltd. (四川沱牌曲酒股份有限公司)), a liquor company listed on the Shanghai Stock Exchange (stock code: 600702), where he was responsible for overseeing the operations of the company.

Mr. Yu has also been serving as an independent non-executive director of MedSci Healthcare Holdings Limited (梅斯健康控股有限公司), a company listed on the Stock Exchange (stock code: 02415) since April 2023; an independent director of Shanghai Phoenix Enterprise (Group) Co., Ltd. (上海鳳凰企業(集團)股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600679), since January 2022; and an independent director of Shanghai Xujiahui Commercial Co., Ltd. (上海徐家匯商城股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002561), since April 2020.

Mr. Yu obtained his bachelor's degree in philosophy from Hangzhou University (杭州大學) in the PRC in July 1983. Mr. Yu obtained a master's degree and a doctor's degree in management from Fudan University (復旦大學) in the PRC in July 1993 and July 1996, respectively.

Ms. NG Weng Sin (吳永蒨), aged 52, has been appointed as an independent non-executive Director of the Company with effect from December 31, 2024. She is primarily responsible for supervising and providing independent advice on the operation and management of the Group.

Ms. Ng has more than 25 years of experience in financial reporting, management and services. Since April 2024, Ms. Ng serves as an independent non-executive director of New Horizon Health Ltd. (諾輝健康), a company listed on the Stock Exchange (stock code: 6606). Since February 2024, Ms. Ng serves as an independent non-executive director of Xiamen Jihong Technology Co., Ltd. (廈門吉宏科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002803). From December 2016 to November 2021, Ms. Ng successively served as a consultant, an executive director, a company secretary, an authorized representative and the chief financial officer of China Public Procurement Ltd* (中國公共採購有限公司) (now known as Cherish Sunshine International Ltd (承輝國際有限公司)), a company listed on the Main Board of the Stock Exchange (stock code: 1094). From July 2014 to November 2015, Ms. Ng served as the company secretary and authorized representative, and from May 2014 to December 2015, Ms. Ng served as the chief financial officer of Xiwang Special Steel Company Limited (西王特鋼有限公司) (stock code: 1266) and Xiwang Property Holdings Company Limited (西王置業控股有限公司) (stock code: 2088), both companies of which were listed on the Main Board of the Stock Exchange. From August 2010 to October 2013, she served as the chief financial officer, and from February 2011 to October 2013, she served as the company secretary and the authorized representative of Billion Industrial Holdings Limited (百宏實業控股有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 2299). From May 2006 to February 2010, she was the financial controller, the company secretary and authorized representative of China Information Technology Development Limited (中國信息科技發展有限公司), a company listed on the Stock Exchange (stock code: 8178). From November 2004 to May 2006, she worked at Norstar Automobile Industrial Holding Limited (北泰汽車工業控股股份有限公司). From November 2003 to November 2004, she worked at Hua Yang Printing Holdings Co., Ltd. (華洋印刷控股有限公司). From September 2001 to May 2003, she worked at Hong Kong Wing On Travel Service Limited (香港永安旅遊有限公司). From August 1997 to September 2001, Ms. Ng worked at Deloitte Touche Tohmatsu (德勤會計師事務所).

Ms. Ng obtained her bachelor's degree of arts in accountancy in 1996, a master's degree of professional accounting in 2010, a master's degree of corporate finance in 2013 from the Hong Kong Polytechnic University. She further obtained a master of business administration degree (Executive MBA program) from the Chinese University of Hong Kong in 2015. She is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. She is also a fellow member of The Hong Kong Chartered Governance Institute.

SENIOR MANAGEMENT

The following table sets out certain information regarding the senior management of the Company.

Name	Age	Date of joining the Group	Date of appointment as a senior management member	Position	Responsibilities
Mr. MIAO Xuezhong (繆雪中)	53	February 19, 2014	February 19, 2014	Executive Director, chief executive officer of our Group and chairman of the Board	Day-to-day management and strategic planning of the Group
Mr. LIU Tao (劉濤)	47	March 20, 2023	March 20, 2023	Executive Director and chief financial officer of our Group	Overall financial management of the Group
Ms. LIU Qin (劉芹)	37	September 1, 2014	January 1, 2022	Executive Director and general manager of our Group	Day-to-day management and strategic planning of the Group and day-to-day management of our Group's PRC operations
Mr. Andrew Robert CRANK	52	May 4, 2020	May 4, 2020	Executive Director and general manager of our Group	Day-to-day management and strategic planning of the Group and day-to-day management of our Group's Australian operations

For biographical details of Mr. MIAO Xuezhong (繆雪中), Mr. LIU Tao (劉濤), Ms. LIU Qin (劉芹), and Mr. Andrew CRANK, see "— Board of Directors".

JOINT COMPANY SECRETARIES

Mr. CHANG Ke (常可), was appointed as one of our joint company secretaries on May 22, 2024.

Prior to joining the Group, Mr. Chang served at Hozon New Energy Automobile Co., Ltd (合眾新能源汽車股份有限公司) from July 2021 to April 2024, during which he had acted as the board secretary, company secretary and general manager of securities center. Mr. Chang had also previously worked at the investment banking division of Guosen Securities Co., Ltd. (國信證券股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002736), and King & Wood Mallesons.

Mr. Chang obtained his master's degree in law from the University of Southern California in November 2014.

Ms. JIAN Xuegen (簡雪艮), was appointed as one of our joint company secretaries on May 22, 2024. She has over 14 years of experience in accounting, finance, and the corporate secretary field. Ms. Jian is currently an assistant vice president of SWCS Corporate Services Group (Hong Kong) Limited.

Ms. Jian obtained her bachelor's degree of accounting from the South China University of Technology in July 2008. She is a member of the Hong Kong Institute of Certified Public Accountants since January 2019, and is also a member of the Chinese Institute of Certified Public Accountants since December 2010.

BOARD COMMITTEES

Audit Committee

Our Company has established an Audit Committee (with effect from the Listing Date) with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. The Audit Committee consists of three members, namely Ms. NG Weng Sin, Mr. YU Mingyang and Ms. HE Jie. Ms. NG Weng Sin has been appointed as the chairman of the Audit Committee. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of our Group, oversee the audit process, review and oversee the existing and potential risks of our Group and perform other duties and responsibilities as assigned by our Board.

Remuneration Committee

Our Company has established a Remuneration Committee (with effect from the Listing Date) with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. The Remuneration Committee has three members, namely Ms. HE Jie, Mr. YU Mingyang and Ms. NG Weng Sin. Ms. HE Jie has been appointed as the chairman of the Remuneration Committee. The primary duties of the Remuneration Committee are to establish and review the policy and structure of the remuneration for our Directors and senior management and make recommendations on employee benefit arrangement.

Nomination Committee

Our Company has established a Nomination Committee (with effect from the Listing Date) with written terms of reference in compliance with the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. The Nomination Committee consists of three members, namely Mr. Miao, Ms. NG Weng Sin and Mr. YU Mingyang, and Mr. Miao is the chairman of the Nomination Committee. The primary duties of the Nomination Committee are to make recommendations to our Board on the appointment and removal of Directors of our Company.

BOARD DIVERSITY POLICY

The Board has adopted a board diversity policy (the "**Board Diversity Policy**") to enhance the effectiveness of our Board and to maintain high standard of corporate governance. The Board Diversity Policy sets out the criteria in selecting candidates to our Board, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to our Board.

Our Directors have a balanced mixed of knowledge and skills, including but not limited to overall business management, finance, legal, accounting and marketing. They obtained degrees in diversified majors including accounting, philosophy, corporate finance, law and engineering. The Board is of the view that our Board satisfies the Board Diversity Policy. In addition, our Board has a wide range of age, ranging from 36 years old to 60 years old. Three of our Directors are female. While we recognize that the gender diversity at our Board level can be improved given the majority of our Directors are male, we will continue to apply the appointment criteria based on competence and with reference to the overall diversity policy. Our Board will also ensure that appropriate balance of gender diversity is achieved with reference to investors' expectation, and international and local recommended best practices.

To further ensure gender diversity of our Board in the long run, our Group will also identify and select several female individuals with a diverse range of skills, experience and knowledge in different fields from time to time, and maintain a list of such female individuals who possess qualities to become our Board members, which will be reviewed by our Nomination Committee periodically in order to develop a pipeline of potential successors to our Board to promote gender diversity of our Board. In addition to the Board level, we are also committed in promoting gender diversity at the senior management and all other levels of our Group by providing career development opportunities for female staff, making available to them knowledge and skills training in support of succession planning and ensuring future gender diversity can be achieved on the Board.

The Nomination Committee is responsible for reviewing the diversity of the Board. After Listing, the Nomination Committee will monitor and evaluate the implementation of the Board Diversity Policy from time to time to ensure its continued effectiveness. The Nomination Committee will also include in successive annual reports a summary of the Board Diversity Policy, including any measurable objectives set for implementing the Board Diversity Policy and the progress on achieving these objectives.

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

None of our Directors had interests in any other companies as of the Latest Practicable Date that may, directly or indirectly, compete with our business and would require disclosure under Rule 8.10 of the Listing Rules.

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on May 22, 2024, and (ii) understands his or her obligations as a director of a listed company under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors confirms (i) his/her independence as regards each of the factors referred to in Rule 3.13(1) to (8) of the Listing Rules, (ii) that he/she had no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his/her independence at the time of his/her appointment.

Interests of Directors and senior management

Except as disclosed in this Prospectus, as of the Latest Practicable Date, each of the Directors and senior management (i) did not hold other positions in our Group as of the Latest Practicable Date; (ii) had no other relationship with any of the Directors and senior management as of the Latest Practicable Date; and (iii) did not hold any other directorship and supervisor's position in listed companies in the three years prior to the Latest Practicable Date. For the Directors' interests in the Shares within the meaning of Part XV of the SFO, see "Appendix IV — Statutory and General Information."

DEVIATION FROM CORPORATE GOVERNANCE CODE

Pursuant to code provision C.2.1 in the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Mr. Miao Xuezhong is currently serving as the chairman of the Board as well as the chief executive officer of the Company. He has been primarily involved in developing overall corporate and business strategies of our Group and making significant business and operational decisions of our Group. Our Directors consider that vesting the roles of both the chairman of the Board and the chief executive officer of the Company in Mr. Miao is beneficial to the business prospects of the Group by ensuring consistent leadership to the Group as well as prompt and effective decision making and implementation. In addition, our Directors believe that this structure will not impair the balance of power and authority between the Board and the management of the Company, given that: (i) decision to be made by our Board requires approval by at least a majority of our Directors; (ii) Mr. Miao and the other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that he acts for the benefit and in the best interests of our Company and will make decisions for our Company accordingly; (iii) the balance of power and authority is ensured by the operations of the Board, which consists of four executive Directors (including Mr. Miao) and three independent non-executive Directors, and has a fairly strong independence element; and (iv) the overall strategic and other key business, financial, and operational policies of our Company are made collectively after thorough discussion at both the Board, and senior management levels.

We will continue to review our corporate governance policies and compliance with the Listing Rules and will adhere to the relevant principles as set out in the Corporate Governance Code after the Listing.

DIRECTORS' REMUNERATION

The compensation and remuneration of the Directors and members of the senior management of the Company are determined by the Shareholders' meetings and the Board as appropriate in the form of salaries and bonuses. The Company also reimburses them for expenses which are necessary and reasonably incurred in providing services to the Company or discharging their duties in relation to the operations of the Company. When reviewing and determining the specific remuneration packages for our Directors and members of the senior management of the Company, the Shareholders' meetings and the Board take into account factors such as salaries paid by comparable companies, time commitment, level of responsibilities, employment elsewhere in our Group and desirability of performance-based remuneration.

Our Company offers executive Directors and senior management members, who are also employees, compensation in the form of salaries, bonuses, social security plans, housing provident fund plans and other benefits. The independent non-executive Directors receive compensation based on their responsibilities.

The aggregate amounts of remuneration paid to the Directors for the three years ended December 31, 2023 and for the six months ended June 30, 2024 were approximately RMB1.2 million, RMB1.5 million, and RMB2.5 million and RMB1.6 million, respectively.

The aggregate amounts of remuneration paid to the five highest paid individuals for the three years ended December 31, 2023 and for the six months ended June 30, 2024 were approximately RMB3.1 million, RMB3.3 million, RMB3.6 million and RMB1.3 million, respectively.

It is estimated that remuneration equivalent to approximately RMB4.2 million in aggregate will be paid to the Directors by our Company for the year ending December 31, 2024, based on the arrangements in force as of the date of the Prospectus.

No remuneration was paid by the Company to the Directors or the five highest paid individuals as inducement to join or upon joining the Company or as a compensation for loss of office during the Track Record Period. Furthermore, none of the Directors had waived or agreed to waive any remuneration during the Track Record Period.

PRE-IPO SHARE OPTION SCHEME

We adopted the Pre-IPO Share Option Scheme. See "Appendix IV — Statutory and General Information — D. Pre-IPO Share Option Scheme" in this Prospectus for further details.

COMPLIANCE ADVISOR

The Company appointed Caitong International Capital Co., Limited as the compliance advisor pursuant to Rule 3A.19 of the Listing Rules, and the compliance advisor will advise our Company in the following circumstances:

- before the publication of any regulatory announcement, circular or financial report;
- where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;
- where our Company proposes to use the proceeds of the Global Offering in a manner that is different from that detailed in this Prospectus or where our business activities, developments or results deviate from any forecasts, estimates or other information in this Prospectus; and
- where the Stock Exchange makes an inquiry of our Company regarding unusual movements in the price or trading volume of the Shares, the possible development of a false market in the Shares or any other matters.

The terms of the appointment of the compliance advisor will commence on the Listing Date and end on the date when the Company distributes the annual report of its financial results for the first full financial year commencing after the Listing Date.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the Capitalization Issue and the Global Offering (assuming the Over-allotment Option is not exercised), the following persons will have, or be deemed, or taken to have an interest and/or short position in the Shares or underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company:

		Shares held as of the Latest Practicable Date[1]		Shares held immediately following completion of the Capitalization Issue and the Global Offering[1]	
Name of Shareholder	**Nature of interest**	**Number**	**%**	**Number**	**%**
Mr. Miao	Interest in controlled corporations[3]	99,173,500	99.17%	99,173,500	74.4%
	Settlor of a discretionary trust[3]	99,173,500	99.17%	99,173,500	74.4%
Ms. Wang	Interest of spouse[2]; Interest held jointly with another person[3]	99,173,500	99.17%	99,173,500	74.4%
Ms. Miao	Interest held jointly with another person[3]	99,173,500	99.17%	99,173,500	74.4%
Miao Wanyi Trust[3]	Interest in controlled corporations[3]	99,173,500	99.17%	99,173,500	74.4%
Miao Wanyi Holdings[3]	Interest in controlled corporation[3]	99,173,500	99.17%	99,173,500	74.4%
Snowy Limited[3]	Beneficial owner	99,173,500	99.17%	99,173,500	74.4%

Notes:

(1) All interests stated are long positions.

(2) Mr. Miao is the spouse of Ms. Wang. By virtue of the SFO, Ms. Wang is deemed to be interested in the Shares in which Mr. Miao is interested in.

(3) Snowy Limited is held by M.X.Z Holdings as to 1%, and M.X.Z Holdings is in turn a wholly-owned company of Mr. Miao. Hence, Mr. Miao is deemed to be interested in the Shares held by Snowy Limited under the SFO.

Snowy Limited is held by Miao Wanyi Holdings as to 99%. Miao Wanyi Holdings is a company incorporated in the BVI and is held as to 100% by Miao Wanyi Trust, which was established by Mr. Miao as the settlor. Dedao Trust Limited is the trustee of the Miao Wanyi Trust, and WDH Holdings and MWY Holdings are the beneficiaries of the Miao Wanyi Trust.

Save as disclosed herein, our Directors are not aware of any person who will, immediately following the completion of the Capitalization Issue and the Global Offering (assuming the Over-allotment Option is not exercised), have an interest or short position in the Shares or underlying Shares which will be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company.

AUTHORIZED AND ISSUED SHARE CAPITAL

The following is a description of the authorized shares and shares of our Company in issue and to be issued as fully paid or credited as fully paid prior to and immediately following the completion of the Capitalization Issue and the Global Offering:

	Nominal value (US$)
As of the date of this Prospectus	
Authorized share capital as of the date of this Prospectus 500,000,000 Shares of US$0.0001 each	50,000
Issued share capital as of the date of this Prospectus 100,000,000 Shares of US$0.0001 each	10,000
Immediately following the Capitalization Issue and the Global Offering	
Authorized share capital 2,000,000,000 Shares of US$0.0001 each	200,000
Shares to be issued pursuant to the Capitalization Issue 620,000,000 Shares of US$0.0001 each	62,000
Shares to be issued under the Global Offering assuming the Over-allotment Option is not exercised 240,000,000 Shares of US$0.0001 each	24,000

ASSUMPTIONS

The above table assumes that the Global Offering becomes unconditional and the Shares are issued pursuant to the Capitalization Issue and the Global Offering. The above does not take into account any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option.

RANKING

The Offer Shares are ordinary shares in our share capital and rank equally with all Ordinary Shares currently in issue or to be issued and, in particular, will rank in full for all dividends or other distributions declared, made or paid on the Shares in respect of a record date which falls after the date of this Prospectus.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING AND CLASS MEETING ARE REQUIRED

Upon completion of the Capitalization Issue and the Global Offering, our Company has only one class of shares, namely ordinary shares, each of which ranks *pari passu* with the other Shares. Pursuant to the Cayman Companies Act and the terms of the Memorandum and Articles, our Company may from time to time by ordinary resolution of shareholders (i) increase its capital; (ii) consolidate and divide its capital into shares of a larger amount; (iii) subdivide its shares into shares of a smaller amount; and (iv) cancel any shares which have not been taken. In addition, our Company may subject to the provisions of the Cayman Companies Act reduce its share capital or share capital redemption reserve by its shareholders passing a special resolution. See "Appendix III — Summary of the Constitution of the Company and Cayman Islands Company Law — 2. Articles of Association — 2.1 Shares — (c) Alteration of Capital" for details.

Pursuant to the Cayman Companies Act and the terms of the Memorandum and Articles, all or any of the rights attached to the shares or any class of shares may be varied either with the consent in writing of the holders of at least three-fourths of the issued shares of that class or with the approval of a resolution passed by at least three-fourths of the votes cast by the holders of the shares of that class present and voting in person or by proxy at a general meeting of such holders. See "Appendix III — Summary of the Constitution of the Company and Cayman Islands Company Law — 2. Articles of Association — 2.1 Shares — (b) Variation of Rights of Existing Shares or Classes of Shares" for details.

Further, our Company will also hold general meetings from time to time as may be required under the Listing Rules and the Articles, a summary of which is set out in the section headed "Appendix III — Summary of the Constitution of the Company and Cayman Islands Company Law."

GENERAL MANDATE TO ISSUE SHARES

Subject to the conditions stated in the section headed "Structure of the Global Offering — Conditions of the Global Offering" in this Prospectus, our Directors have been granted a general unconditional mandate to allot, issue and deal with Shares or securities convertible into Shares or options, warrants or similar rights to subscribe for Shares or such convertible securities and to make or grant offers, agreements or options which would or might require the exercise of such powers, provided that the aggregate nominal value of Shares allotted or agreed to be allotted by the Directors other than pursuant to:

(a) the exercise of any subscription rights, warrants which may be issued by our Company from time to time;

(b) any scrip dividend scheme or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with our Articles;

(c) a specific authority granted by the Shareholders in general meeting of our Company, shall not exceed the aggregate of:

(i) 20% of the total nominal value of our share capital in issue immediately following the completion of the Global Offering; and

(ii) the total nominal value of our share capital repurchased by us (if any) under the general mandate to repurchase Shares referred to in the section headed "— General Mandate to Repurchase Shares" below.

This general mandate to issue Shares will expire at the earliest of:

(1) the conclusion of the next annual general meeting of our Company unless otherwise renewed by an ordinary resolution of the Shareholders in general meeting, either unconditionally or subject to condition;

(2) the expiration of the period within which our Company's next annual general meeting is required by the Articles or any other applicable laws to be held; or

(3) the date on which it is varied or revoked by an ordinary resolution of our Shareholders in general meeting of our Company.

See "Appendix IV — Statutory and General Information — A. Further Information about our Group — 4. Resolutions of Our Shareholders in Relation to the Global Offering" for further details of this general mandate.

GENERAL MANDATE TO REPURCHASE SHARES

Subject to the conditions stated in the section headed "Structure of the Global Offering — Conditions of the Global Offering", our Directors have been granted a general unconditional mandate to exercise all of our powers to repurchase Shares with a total nominal value of not more than 10% of the total nominal value of our share capital in issue immediately following the completion of the Capitalization Issue and the Global Offering.

The repurchase mandate relates only to repurchases made on the Stock Exchange, or on any other stock exchange on which the Shares are listed (and which is recognized by the SFC and the Stock Exchange for this purpose), and made in accordance with the Listing Rules. A summary of the relevant Listing Rules is set out in the section headed "Appendix IV — Statutory and General Information — A. Further Information about our Group — 6. Corporate Reorganization" for further details.

This general mandate to repurchase Shares will expire at the earliest of:

(i) the conclusion of the next annual general meeting of our Company unless renewed by an ordinary resolution of the Shareholders in general meeting either unconditionally or subject to condition;

(ii) the expiration of the period within which our Company's next annual general meeting is required by the Articles or any other applicable laws to be held; or

(iii) the date on which it is varied or revoked by an ordinary resolution of our Shareholders in general meeting of our Company,

See "Appendix IV — Statutory and General Information — A. Further Information about our Group — 6. Corporate Reorganization" for further details of this general mandate.

You should read the following discussion and analysis in conjunction with our historical financial information as of and for the three financial years ended December 31, 2023 and for the six months ended June 30, 2024 included in the Accountants' Report set out in Appendix I to this Prospectus, together with the accompanying notes. Our historical financial information has been prepared in accordance with the HKFRSs issued by the HKICPA.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance that involve risks and uncertainties. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical events, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, our actual results and the timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under the section headed "Risk Factors" and elsewhere in this Prospectus.

OVERVIEW

We are a recreational vehicle enterprise with an extensive presence in Australasia that designs, develops, manufactures and sells bespoke towable RVs, commanding the second-largest market share in Australasia's RV industry in terms of both revenue and sales volume in 2023, according to Frost & Sullivan. With our 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 emphasis on comfortability, safety and functionality, creating mobile homes that can address RV owners' needs for both extra physical and mental space. 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.

Our revenues continued to grow during the Track Record Period. We achieved revenues of RMB299.7 million in 2021, RMB498.8 million in 2022, and RMB720.3 million in 2023, with corresponding gross profit margins of 16.7%, 16.5% and 25.1% for those years, respectively. Our revenues increased from RMB309.5 million for the six months ended June 30, 2023 to RMB422.0 million for the six months ended June 30, 2024, with corresponding gross profit margins of 23.1% and 32.0% for those periods. Our net profits were RMB25.1 million in 2021, RMB33.0 million in 2022, and grew significantly to RMB78.8 million in 2023. Our net profit increased from RMB31.6 million for the six months ended June 30, 2023 to RMB40.4 million for the six months ended June 30, 2024. Our adjusted net profit (non-HKFRS measure) was RMB25.1 million, RMB33.0 million, RMB78.8 million and RMB55.7 million in 2021, 2022 and 2023 and for the six months ended June 30, 2024, respectively.

BASIS OF PREPARATION AND PRESENTATION OF THE HISTORICAL FINANCIAL INFORMATION

Our Company is an investment holding company and have not carried on any business since the date of our incorporation, save for the corporate reorganization as described below. Our Group are principally engaged in the manufacturing and exporting the RVs to Australia and selling RVs through dealership and stores in Australia and New Zealand.

During the Track Record Period, our business was conducted through various entities controlled by Controlling Shareholders. To rationalize the corporate structure in preparation of the listing of our shares on Hong Kong Stock Exchange, our Group underwent a reorganization as detailed in the section headed "History, Reorganization and Corporate Structure" in this Prospectus. Upon completion of the Reorganization, our Company became the holding company of our Group. As our business was ultimately controlled by Controlling Shareholders during the Track Record Period and both before and after the Reorganization, the control is not transitory and consequently and there was a continuation of the risks and benefits to Controlling Shareholders. The Reorganization is therefore treated as a combination of businesses under common control.

Accordingly, the historical financial information has been prepared and presented using the merger basis of accounting as if the current structure of our Group had been in existence and remained unchanged throughout the Track Record Period. The consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of our Group include the financial performance and cash flows of our business for the Track Record Period. The consolidated statements of financial position of our Group as of December 31, 2021, 2022 and 2023 and June 30, 2024 have been prepared to present the financial position of our business as of those dates. The assets and liabilities of our business have been measured at their carrying amounts prior to the Reorganization. Intra-group balances, transactions and unrealized gains/losses on intra-group transactions were eliminated when preparing the historical financial information.

During the Track Record Period and before the completion of the Reorganization, our certain manufacturing activities were carried out by two entities that were under common control of Controlling Shareholders, which did not become part of our Group upon the completion of the Reorganization. For the purpose of the Accountants' Report in Appendix I to this Prospectus, a process has been completed to specifically identify assets, liabilities, revenue, expenses and cash flows of those two entities associated with our business during the Track Record Period in preparing the historical financial information. The historical financial information only includes transactions and balances that are attributable to our business. Since the manufacturing activities were conducted as a division of the two entities before the Reorganization, the net parent investment, representing the net assets related to the Listing Businesses which were managed and controlled by these two entities, has been shown in lieu of shareholders' equity in the historical financial information. For more details, see "Basis of Preparation and Presentation of the Historical Financial Information" to the Accountants' Report in Appendix I to this Prospectus.

Our historical financial information has been prepared in accordance with all applicable HKFRSs, which collective term includes all applicable individual HKFRSs, HKASs and Interpretations issued by HKICPA.

The HKICPA has issued a number of new and revised HKFRSs. For the purpose of preparing this historical financial information, we have consistently adopted all applicable new and revised HKFRSs that are effective during the Track Record Period, except for any new standards or interpretations that are not yet effective for the Track Record Period.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business, results of operations and financial condition have been, and are expected to continue to be, affected by a number of factors, including those set out below and in the section headed "Risk Factors" in this Prospectus.

General factors

Our results of operations are affected by general factors affecting the overall economic growth and level of per capita disposable income, the consumption willingness of residents in the regions where we operate, fluctuation in currency exchange rates between our main transaction currencies and foreign currencies used in these regions, raw material and transportation costs, the flourishing development of leisure and cultural tourism in our target markets, and the competitive landscape of the RV industry both globally and regionally.

Specific factors

Our results of operations are also primarily and more directly affected by the following specific factors:

Investments in expansion and renewal of our product collection

We have been continuously rejuvenating and broadening our product collection to attract customers and drive sales. For the three years ended December 31, 2023 and for the six months ended June 30, 2023 and 2024, we had research and development expenses of RMB2.8 million, RMB5.1 million, RMB8.0 million, RMB4.0 million and RMB5.6 million, respectively, in connection with our product development, upgrade, and innovation.

Our product offering is currently showcased under 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. Additionally, we are currently building a trailblazing model of towable ERV which we anticipate to commence delivery in Australasia by the first quarter of 2025. We intend to continue our investments in rejuvenating and broadening our product collection in the coming years, which we believe is essential for preserving the appeal of our product offerings, thereby serving as a key driver for sustaining the growth of our business. See "Business — Our Strategies."

Our ability to continuously expand our sales and distribution network and execute effective sales and marketing strategies

Effective execution of our sales and marketing strategies are critical to our sales growth. As of June 30, 2024, we had built a dynamic, multifaceted sales and distribution network, leveraging a combination of three distinct channels: (i) a robust and extensive network of 13 third-party dealer stores in Australasia; (ii) two self-owned stores in Australia alongside online official websites; and (iii) four JV stores with our JV partners. We will continue to increase the number of stores to expand our brick-and-mortar sales and service network across Australia and New Zealand, strengthening network effect and synergy within our Group, which could in turn attract new customers, increase our revenue base and enhance our operating efficiency.

Expansion of our sales and distribution network, either through cooperating with third-party dealerships or establishing new self-owned stores and JV stores, involves significant investment. In particular, our operating results could be influenced by the timing of opening new self-owned stores and JV stores and the number of these new stores, given that new stores generally have lower income and higher operating costs during the initial stages of their operations. Our profitability is also subject to various other factors, including our ability to build and maintain strong relationships with new and existing dealerships to promote and sell our RVs effectively.

We also actively engage in targeted marketing through a variety of other channels, including online promotions and offline events, including sponsorships, participation in RV shows and special events, advertisement placements, digital and social media marketing, and cooperation with brand ambassadors and celebrities. For the three years ended December 31, 2023 and for the six months ended June 30, 2023 and 2024, we incurred selling and distribution expenses of RMB6.5 million, RMB19.3 million, RMB41.5 million, RMB17.3 million and RMB32.2 million, respectively, representing 2.2%, 3.9%, 5.8%, 5.6% and 7.6% of our revenues during the respective periods. We believe these initiatives further enhance our customer engagement, while promoting brand loyalty in the process, which contributes to more recurring business as well as brand advocacy by our customers. We intend to continue investing in these marketing efforts.

Our ability to control costs and improve operational efficiency

Our results of operations and financial conditions depend on our ability to manage our costs and expenses and improve our operational efficiency. Our cost of sales consists of cost of raw materials, staff costs, shipping and handling expenses, as well as overhead.

We aim to improve operating efficiency in every aspect of our business, such as product development, supply chain, manufacturing, as well as sales and marketing. For instance, we have strategically built a robust sales and distribution network leveraging a combination of third-party dealerships, self-owned stores and JV stores, which allows us to expand our sales and distribution network while mitigating substantial overhead costs. Furthermore, our supply chain affects our cost of sales and gross margin, and we expect ongoing reductions in the bill-of-material cost of components and parts on a per-unit basis, as we scale up production volume and realize economies of scale. We also focus on enhancing efficiency in the manufacturing process, taking advantage of the strategic distribution of our manufacturing operations across production facilities in Zhejiang, China and assembly lines in Melbourne, Australia.

Moreover, our shipping and handling expenses constitute a significant component of our costs. We generally partner with third-party logistics service providers for the transportation of our RVs. Accordingly, global and local dynamics within the logistics landscape, including fluctuations in freight capacities and prices, regional differences in infrastructure and labor availability, and other broader industry challenges or specific issues affecting these third-party logistics providers, can influence our logistics processes and associated costs. In addition, these issues could impact our ability to plan our pricing effectively.

According to Frost & Sullivan, shipping prices globally, as well as for major shipping routes, such as from China to Australasia, reached the all-time highs during 2021 and 2022, as a result of the disruption to global supply chains caused by COVID-19. Since 2022, the effects of COVID-19 have gradually diminished and shipping prices have started to normalize, returning to pre-pandemic levels in mid-2023. We recorded shipping and handling expenses of RMB27.7 million, RMB55.3 million, RMB20.3 million, RMB8.3 million and RMB18.9 million for the three years ended December 31, 2023 and for the six months ended June 30, 2023 and 2024, respectively, primarily attributable to the higher levels of shipping prices due to the disruption to global supply chain caused by COVID-19.

Foreign exchange rate fluctuations

We are primarily subject to the effect of fluctuations in foreign exchange rates concerning the Australian dollars relative to Renminbi. Our historical financial information is presented in Renminbi, our presentation currency. For each Group entity, items included in its financial statements are generally recorded in the currency of the country where such Group entity operates, which may be, among others, Australian dollars or, to a nominal extent, New Zealand dollars. Our financial information as expressed in Renminbi may be significantly affected by fluctuations in foreign exchange rates, primarily in relation to the Australian dollars. As a result, the figures may vary, either increasing or decreasing, compared to what would be expected if exchange rates were stable. See "Risk Factors — Risks Relating To Our Business and Our Industry — Exchange rate fluctuations may adversely affect our business".

HISTORICAL IMPACT OF THE COVID-19 PANDEMIC

Since the end of December 2019, the outbreak of a novel strain of coronavirus, or COVID-19, has affected the global economy. In response to the COVID-19 pandemic, including the recurrence of the Omicron variant of COVID-19 since the end of 2021 across the world, governments had implemented numerous measures to contain the spread of the virus, including mandatory quarantine, closure of workplaces and facilities, travel bans and restrictions and stay-at-home orders.

We encountered various challenges due to the impact of the COVID-19. For instance, certain of our employees were subject to quarantine requirements imposed on particular areas and were not allowed to work onsite due to pandemic prevention and control policies during the Track Record Period. In addition, the global shipping and logistics systems have been negatively affected resulting from the special or temporary restrictions or closings of facilities or transportation networks by governments in response to the pandemic, which resulted in the increases in our shipping and handling expenses.

Despite the impact mentioned above, neither our operations nor our financial performance was materially and adversely affected by the COVID-19 pandemic during the Track Record Period. Moreover, as the global economy recovers post-pandemic, consumers are expected to have more disposable income for leisure and travel expenditures, and are motivated to subscribe to premium product and service offerings and an enhanced traveling experience in exchange for enhanced travel experiences, expanded space and additional privacy and comfort. According to Frost & Sullivan, the Australasian RV market saw significant growth between 2021 and 2023, particularly notable in 2022, driven by a remarkable 9.2% increase for imported RVs. In addition, our revenues increased by 66.4% from RMB299.7 million in 2021 to RMB498.8 million in 2022, and further increased by 44.4% to RMB720.3 million in 2023, with corresponding gross profit margins of 16.7%, 16.5% and 25.1% for those years, respectively. Our revenues increased from RMB309.5 million for the six months ended June 30, 2023 to RMB422.0 million for the six months ended June 30, 2024, with corresponding gross profit margins of 23.1% and 32.0% for those periods. In 2021, 2022 and 2023 and for the six months ended June 30, 2024, we delivered an aggregate of 1,330, 2,127, 2,694 and 1,427 RVs to our customers, respectively, representing an increase of 59.9% from 2021 to 2022 and 26.7% from 2022 to 2023.

MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

We prepare our consolidated financial information in accordance with HKFRSs, which requires us to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. We continuously evaluate these estimates and assumptions based on the most recently available information, our own historical experiences and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. As the use of estimates is an integral component of the financial reporting process, actual results in subsequent financial reporting that differ from estimates could result in deviations from previous financial reporting. We consider the policies and estimates discussed below to be critical to an understanding of our consolidated financial information as their application places the most significant demands on our management's judgment. For details of our material accounting policies and accounting judgments and estimates, see Notes 2 and 3 to the Accountants' Report in Appendix I to this Prospectus.

Material Accounting Policies

Revenue and Other Income

Income is classified by us as revenue when it arises from the sale of goods, the provision of services or the use by others of our assets under lease in the ordinary course of our business.

Revenue is recognized when control over a product or service is transferred to the customer at the amount of promised consideration to which we are expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

Further details of our revenue and other income recognition policies are as follows:

Sale of Goods

We are principally engaged in the manufacturing and sale of RVs and parts. Revenue from sale of RVs and parts is recognized at the point in time when we transfer control over a product to the customer at the amount of promised consideration to which we are expected to be entitled, excluding those amounts collected on behalf of third parties. We offer warranties for our products for up to five years from the date of sale.

Revenue from Rendering of Services

Revenue from rendering of services is brought as income when the performance obligation has been satisfied, which is when the related services have been provided.

Interest income

Interest income is recognized using the effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Government grants

Government grants are recognized in the consolidated statements of financial position initially when there is reasonable assurance that they will be received and that we will comply with the conditions attaching to them.

Grants that compensate us for expenses incurred are recognized as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Income from financial guarantees issued

Income from financial guarantees issued is recognized over the terms of the guarantees. Income from financial guarantees issued derives from guarantee we provide to our Financing Partner under the floor-plan finance arrangement that in the event of default by the sales channel operators, we are required to repurchase the RV from the Financing Partner. During the Track Record Period and as of the Latest Practicable Date, there was no default by the sales channel operators. Therefore, this repurchasing obligation had never been invoked. For more details, see "Business — Sales and Distribution — Financing Arrangements."

We began providing such guarantee in 2022. The maximum amounts of the guarantee issued were RMB8.2 million, RMB27.5 million and RMB20.6 million as of December 31, 2022 and 2023 and June 30, 2024, respectively. We monitor the risk of defaults based on information provided by the Financing Partner and adjust the guarantee liability at the end of each reporting period based on information reasonably available at that time. As the estimated likelihood of the default is remote and the recovery from the collateral can cover the expected cash outflow from guarantee, the guarantee liability is minimum.

Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment losses.

If significant parts of an item of plant and equipment have different useful lives, then they are accounted for as separate items (major components).

Any gain or loss on disposal of an item of plant and equipment is recognized in profit or loss.

Depreciation is calculated to write off the cost or valuation of items of plant and equipment less their estimated residual values, if any, using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss.

The estimated useful lives in the historical financial information are as follows:

Machinery and equipment	5–10 years
Office equipment and furniture	3–5 years
Motor vehicles	4 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Leased Assets

At inception of a contract, we assess whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

Where the contract contains lease component(s) and non-lease component(s), we have elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, we recognize a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less, and leases of low-value items such as laptops and office furniture. When we enter into a lease in respect of a low-value item, we decide whether to capitalize the lease on a lease-by-lease basis. If not capitalized, the associated lease payments are recognized in profit or loss on a systematic basis over the lease term.

Where the lease is capitalized, the lease liability is initially recognized at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortized cost and interest expense is recognized using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability, and are charged to profit or loss as incurred.

The right-of-use asset recognized when a lease is capitalized is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

Refundable rental deposits are accounted for separately from the right-of use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortized cost. Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in our estimate of the amount expected to be payable under a residual value guarantee, or if we change our assessment of whether we will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification. The only exceptions are rent concessions that occurred as a direct consequence of the COVID-19 pandemic and met the conditions set out in paragraph 46B of HKFRS 16 Leases. In such cases, we have taken advantage of the practical expedient not to assess whether the rent concessions are lease modifications, and recognized the change in consideration as negative variable lease payments in profit or loss in the period in which the event or condition that triggers the rent concessions occurred.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

Inventories

Inventories are assets which are held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Inventories are carried at the lower of cost and net realizable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized.

The amount of any write-down of inventories to net realizable value and all losses of inventories are recognized as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

Employee benefits

Short-term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if we have a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

Termination benefits

Termination benefits are expensed at the earlier of when we can no longer withdraw the offer of those benefits and when we recognize costs for a restructuring.

Provisions and contingent liabilities

Generally, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and risks specific to the liability.

A provision for warranties is recognized when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under that contract and an allocation of other costs directly related to fulfilling that contract. Before a provision is established, our Group recognizes any impairment loss on the assets associated with that contract.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognized for any expected reimbursement that would be virtually certain. The amount recognized for the reimbursement is limited to the carrying amount of the provision.

Translation of Foreign Currencies

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into RMB at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into RMB at the exchange rates at the dates of the transactions.

Foreign currency differences are recognized in OCI and accumulated in the exchange reserve, except to the extent that the translation difference is allocated to NCI.

Material Accounting Judgments and Estimates

Impairment of trade and other receivables

Our management determines the loss allowance for expected credit losses on trade and other receivables based on an assessment of the present value of all expected cash shortfalls. These estimates are based on the information about past events, current conditions and forecasts of future economic conditions. Our management reassesses the loss allowance at each reporting period end.

Net realizable value of inventories

Net realizable value of inventories is the estimated selling price in the ordinary course of business, less estimated distribution expenses and related taxes. These estimates are based on the current market condition and historical experience of selling products of similar nature. It could change significantly as a result of competitor actions in response to changes in market conditions. Any change in the assumptions would increase or decrease the amount of inventories write-down or the related reversals of write-downs and affect our profit or loss and net asset value.

Determining the lease term

As explained in policy Note 2(h) to the Accountants' Report in Appendix I to this Prospectus, the lease liability is initially recognized at the present value of the lease payments payable over the lease term. In determining the lease term at the commencement date for leases that include renewal options exercisable by us, we evaluate the likelihood of exercising the renewal options taking into account all relevant facts and circumstances that create an economic incentive for us to exercise the option, including favorable terms, leasehold improvements undertaken and the importance of that underlying asset to our operation. The lease term is reassessed when there is a significant event or significant change in circumstance that is within our control. Any increase or decrease in the lease term would affect the amount of lease liabilities and right-of-use assets recognized in future years.

Income tax

Determining income tax provisions involves judgment on the future tax treatment of certain transactions. The management carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of these transactions is reconsidered periodically to take into account changes in tax legislations. Deferred tax assets are recognized for deductible temporary differences and cumulative tax losses.

As those deferred tax assets can only be recognized to the extent that it is probable that future taxable profit will be available against which they can be utilized, management's judgment is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and additional deferred tax assets are recognized if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered.

Warranty provisions

As explained in Note 2(r) to the Accountants' Report in Appendix I to this Prospectus, we make provisions under the warranties we give on sale of our RVs taking into account our recent claim experience. As we are continually upgrading our product designs and launching new models, it is possible that the recent claim experience is not indicative of future claims that we will receive in respect of past sales. Any increase or decrease in the provision would affect profit or loss in future years.

RESULTS OF OPERATIONS

The following table sets forth a summary of our consolidated statement of profit or loss with line items in actual terms and as a percentage of our total revenue for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2021		2022		2023		2023		2024	
							(Unaudited)			
	(RMB in thousands, except for percentages)									
Revenue	299,672	100.0%	498,780	100.0%	720,303	100.0%	309,526	100.0%	421,973	100.0%
Cost of sales	(249,568)	(83.3%)	(416,536)	(83.5%)	(539,252)	(74.9%)	(238,145)	(76.9%)	(287,070)	(68.0%)
Gross profit	50,104	16.7%	82,244	16.5%	181,051	25.1%	71,381	23.1%	134,903	32.0%
Other income/(loss)	8,107	2.7%	9,115	1.8%	14,517	2.0%	7,667	2.5%	(2,667)	(0.6%)
Selling and distribution expenses	(6,479)	(2.2%)	(19,316)	(3.9%)	(41,547)	(5.8%)	(17,255)	(5.6%)	(32,184)	(7.6%)
Administrative expenses	(12,385)	(4.1%)	(21,155)	(4.2%)	(36,209)	(5.0%)	(14,078)	(4.5%)	(35,605)	(8.4%)
Research and development expenses	(2,835)	(0.9%)	(5,112)	(1.0%)	(7,968)	(1.1%)	(4,010)	(1.3%)	(5,625)	(1.3%)
(Provision)/reversal of impairment loss on trade receivables	(9)	(0.0%)	(65)	(0.0%)	34	0.0%	7	0.0%	(21)	(0.0%)
Share of profit/(loss) of a joint venture	912	0.3%	1,083	0.2%	113	0.0%	(283)	(0.1%)	—	—
Profit from operations	37,415	12.5%	46,794	9.4%	109,991	15.3%	43,429	14.0%	58,801	13.9%
Finance costs	(3,090)	(1.0%)	(2,533)	(0.5%)	(2,315)	(0.3%)	(1,079)	(0.3%)	(4,796)	(1.1%)
Profit before taxation	34,325	11.5%	44,261	8.9%	107,676	14.9%	42,350	13.7%	54,005	12.8%
Income tax	(9,245)	(3.1%)	(11,305)	(2.3%)	(28,908)	(4.0%)	(10,702)	(3.5%)	(13,575)	(3.2%)
Profit for the year/period	25,080	8.4%	32,956	6.6%	78,768	10.9%	31,648	10.2%	40,430	9.6%
Attributable to:										
Equity shareholders of the Company	25,080	8.4%	32,956	6.6%	79,973	11.1%	31,648	10.2%	39,532	9.4%
Non-controlling interests	—	—	—	—	(1,205)	(0.2%)	—	—	898	0.2%
Profit for the year/period	25,080	8.4%	32,956	6.6%	78,768	10.9%	31,648	10.2%	40,430	9.6%

NON-HKFRS MEASURES

To supplement our consolidated financial statements which are presented in accordance with HKFRS, we also use adjusted net profit (non-HKFRS measure) as additional financial measure, which is not required by, or presented in accordance with, HKFRS. We believe that such non-HKFRS measure facilitates comparisons of operating performance from period to period and company to company by eliminating potential impact of certain items.

We believe that adjusted net profit (non-HKFRS measure) provides useful information to investors and others in understanding and evaluating our consolidated statements of profit or loss and other comprehensive income in the same manner as they help our management. However, our presentation of adjusted net profit (non-HKFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of adjusted net profit (non-HKFRS measure) has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute of, our consolidated statements of profit or loss and other comprehensive income or financial performance as reported under HKFRS.

We define adjusted net profit for the year/period (non-HKFRS measure) as profit for the year/period adjusted by adding listing expenses.

The following table reconciles our adjusted net profit for the year/period (non-HKFRS measure) and our profit for the year/period presented in accordance with HKFRS for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,	
	2021	**2022**	**2023**	**2023**	**2024**
				(Unaudited)	
			(RMB in thousands)		
Profit for the year/period	25,080	32,956	78,768	31,648	40,430
Add:					
Listing expenses[1]	—	—	—	—	15,305
Adjusted net profit for the year/period (non-HKFRS measure)	25,080	32,956	78,768	31,648	55,735

Note:

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

KEY COMPONENTS OF OUR CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Revenue

During the Track Record Period, we primarily generated revenue from sales of RVs. For 2021, 2022 and 2023 and for the six months ended June 30, 2023 and 2024, we generated total revenue of RMB299.7 million, RMB498.8 million, RMB720.3 million, RMB309.5 million and RMB422.0 million, respectively.

Revenue breakdown by products

The following table sets forth a breakdown of our revenue by products, both in absolute amount and as a percentage, for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2021		2022		2023		2023		2024	
							(Unaudited)			
	(RMB in thousands, except for percentages)									
Sale of RVs	298,586	99.6%	498,116	99.9%	710,747	98.7%	309,526	100.0%	396,894	94.1%
— Snowy River	233,273	77.8%	402,690	80.7%	550,175	76.4%	235,517	76.1%	335,096	79.4%
— Regent	35,098	11.7%	49,347	9.9%	84,338	11.7%	35,514	11.5%	26,514	6.3%
— NEWGEN	30,215	10.1%	46,079	9.2%	76,234	10.6%	38,495	12.4%	35,284	8.4%
Sale of pre-owned RVs	—	—	—	—	8,691	1.2%	—	—	23,396	5.5%
Others[1]	1,086	0.4%	664	0.1%	865	0.1%	—	—	1,683	0.4%
Total	299,672	100.0%	498,780	100.0%	720,303	100.0%	309,526	100.0%	421,973	100.0%

Note:

(1) Others include revenue generated from sales of RV parts during our provision of after-sales services which are auxiliary to our core business of sales of our RVs.

Revenue breakdown by geographical markets

The following table sets forth a breakdown of our revenue by geographical markets, both in absolute amount and as a percentage, for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2021		2022		2023		2023		2024	
							(Unaudited)			
	(RMB in thousands, except for percentages)									
Australia	280,331	93.5%	471,037	94.4%	675,987	93.8%	291,106	94.0%	400,332	94.9%
New Zealand	19,341	6.5%	27,743	5.6%	44,316	6.2%	18,420	6.0%	21,641	5.1%
Total	299,672	100.0%	498,780	100.0%	720,303	100.0%	309,526	100.0%	421,973	100.0%

Cost of sales

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

The following table sets for a breakdown of our cost of sales by nature, both in absolute amounts and as a percentage, for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2021		2022		2023		2023		2024	
							(Unaudited)			
	(RMB in thousands, except for percentages)									
Cost of raw materials	168,099	67.3%	292,263	70.2%	419,556	77.8%	190,470	80.0%	221,371	77.1%
Staff costs	36,666	14.7%	45,054	10.8%	69,999	13.0%	28,350	11.9%	35,536	12.4%
Shipping and handling expenses	27,702	11.1%	55,335	13.3%	20,302	3.8%	8,261	3.5%	18,929	6.6%
Overhead										
— Depreciation	1,243	0.5%	2,431	0.6%	2,633	0.5%	1,215	0.5%	1,441	0.5%
— Depreciation of right-of-use assets	10,138	4.1%	13,480	3.2%	18,531	3.4%	5,634	2.4%	5,644	2.0%
— Utilities expenses	1,258	0.5%	1,498	0.4%	1,915	0.4%	955	0.4%	958	0.3%
— Others(1)	4,462	1.8%	6,475	1.5%	6,316	1.1%	3,260	1.3%	3,191	1.1%
	17,101	6.9%	23,884	5.7%	29,395	5.4%	11,064	4.6%	11,234	3.9%
Total	249,568	100.0%	416,536	100.0%	539,252	100.0%	238,145	100.0%	287,070	100.0%

Note:

(1) Others primarily include warranty expenses, office expenses, labor insurance fees and maintenance expenses.

Gross profit and gross profit margin

Gross profit represents revenue less cost of sales, and gross profit margin represents gross profit divided by total revenue, expressed as a percentage. For the three years ended December 31, 2023 and for the six months ended June 30, 2023 and 2024, our gross profit was RMB50.1 million, RMB82.2 million, RMB181.1 million, RMB71.4 million and RMB134.9 million, respectively, and our gross profit margin was 16.7%, 16.5%, 25.1%, 23.1% and 32.0% during the same periods.

Other income/loss

Our other income primarily consists of foreign exchange gain/loss, government grants and lease modification. For the three years ended December 31, 2023, our other income was RMB8.1 million, RMB9.1 million, and RMB14.5 million, respectively. For the six months ended June 30, 2023 and 2024, we recorded other income of RMB7.7 million and other loss of RMB2.7 million, respectively.

The following table sets forth a breakdown of our other income, both in absolute amounts and as a percentage, for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2021		2022		2023		2023		2024	
							(Unaudited)			
	(RMB in thousands, except for percentages)									
Interest income	1	0.0%	8	0.1%	39	0.3%	18	0.2%	26	0.9%
Government grants	1,103	13.6%	1,603	17.6%	—	—	—	—	—	—
Net loss on sale of equipment	—	—	(617)	(6.8%)	—	—	—	—	(25)	(0.9%)
Lease modification(1)	6,704	82.7%	—	—	—	—	—	—	—	—
Foreign exchange gain/(loss)(2)	98	1.2%	7,544	82.8%	14,017	96.5%	7,772	101.4%	(2,464)	(92.4%)
Others	201	2.5%	577	6.3%	461	3.2%	(123)	(1.6%)	(204)	(7.6%)
Total	8,107	100.0%	9,115	100.0%	14,517	100.0%	7,667	100.0%	(2,667)	100.0%

Note:

(1) In 2018, we entered into a five-year lease agreement for our production facilities in Australia, with an option to extend the term for up to an additional five years upon its expiration. We later decided to relocate our production facilities to a larger location to accommodate our future business expansion. Consequently, in June 2021, we decided to partially exercise the extension option, extending the lease term by one additional year. Since the overall lease term was shortened from ten years to six years, we recognized a lease modification of RMB6.7 million in 2021.

(2) Our foreign exchange gains/(loss) derive from the sales of RVs by our operating entities in the PRC primarily conducted in Australian dollars in the ordinary and usual course of our business. It is recorded when there is a change in the exchange rate between Australian dollars and Renminbi during the period between the sale and settlement. Our foreign exchange gain/(loss) consists of both realized gains/(loss) from completed transactions and unrealized gains/(loss), reflecting the anticipated gains/(loss) from pending settlements.

Selling and distribution expenses

Our selling and distribution expenses primarily consist of staff costs and advertising and promotion expenses. For the three years ended December 31, 2023 and for the six months ended June 30, 2023 and 2024, our selling and distribution expenses were RMB6.5 million, RMB19.3 million, RMB41.5 million, RMB17.3 million and RMB32.2 million, respectively.

The following table sets forth a breakdown of our selling and distribution expenses, both in absolute amounts and as a percentage, for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2021		2022		2023		2023		2024	
							(Unaudited)			
	(RMB in thousands, except for percentages)									
Staff costs	2,833	43.7%	7,372	38.2%	17,322	41.7%	6,229	36.1%	14,811	46.0%
Advertising and promotion expenses	3,457	53.4%	10,618	55.0%	18,230	43.9%	9,361	54.3%	10,750	33.4%
Travel expenses	29	0.5%	344	1.8%	1,501	3.6%	650	3.8%	1,250	3.9%
Depreciation and amortization expenses	21	0.3%	240	1.2%	1,079	2.6%	372	2.2%	2,820	8.8%
Office expenses	126	1.9%	708	3.7%	1,903	4.6%	367	2.1%	1,241	3.9%
Others(1)	13	0.2%	34	0.1%	1,512	3.6%	276	1.5%	1,312	4.0%
Total	6,479	100.0%	19,316	100.0%	41,547	100.0%	17,255	100.0%	32,184	100.0%

Note:

(1) Others primarily include utilities expenses and insurance fees.

Administrative expenses

Our administrative expenses primarily consist of staff costs, professional services and office expenses. For the three years ended December 31, 2023 and for the six months ended June 30, 2023 and 2024, our administrative expenses were RMB12.4 million, RMB21.2 million, RMB36.2 million, RMB14.1 million and RMB35.6 million, respectively.

The following table sets forth a breakdown of our administrative expenses, both in absolute amounts and as a percentage, for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2021		2022		2023		2023		2024	
							(Unaudited)			
	(RMB in thousands, except for percentages)									
Staff costs	8,609	69.5%	15,551	73.5%	24,990	69.0%	9,361	66.5%	12,925	36.3%
Professional services	477	3.9%	1,154	5.5%	946	2.6%	588	4.2%	253	0.7%
Recruitment expenses	700	5.7%	614	2.9%	1,638	4.5%	668	4.7%	954	2.7%
Depreciation and amortization expenses	330	2.7%	704	3.3%	1,244	3.4%	564	4.0%	586	1.6%
Office expenses	1,009	8.1%	1,198	5.7%	2,864	7.9%	1,414	10.0%	3,334	9.4%
IT expenses	—	—	395	1.9%	1,575	4.3%	578	4.1%	760	2.1%
Travel expenses	648	5.2%	737	3.5%	1,729	4.9%	491	3.5%	799	2.2%
Listing expenses	—	—	—	—	—	—	—	—	15,305	43.0%
Others(1)	612	4.9%	802	3.7%	1,223	3.4%	414	3.0%	689	2.0%
Total	12,385	100.0%	21,155	100.0%	36,209	100.0%	14,078	100.0%	35,605	100.0%

Note:

(1) Others primarily include security fees, cleaning fees and utilities expenses.

Research and development expenses

Our research and development expenses primarily consist of staff costs. For the three years ended December 31, 2023 and for the six months ended June 30, 2023 and 2024, our research and development expenses were RMB2.8 million, RMB5.1 million, RMB8.0 million, RMB4.0 million and RMB5.6 million, respectively.

The following table sets forth a breakdown of our research and development expenses, both in absolute amounts and as a percentage, for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2021		2022		2023		2023		2024	
							(Unaudited)			
	(RMB in thousands, except for percentages)									
Staff costs	2,782	98.1%	4,756	93.0%	7,826	98.2%	3,973	99.1%	5,216	92.7%
Others[1]	53	1.9%	356	7.0%	142	1.8%	37	0.9%	409	7.3%
Total	2,835	100.0%	5,112	100.0%	7,968	100.0%	4,010	100.0%	5,625	100.0%

Note:

(1) Others primarily include costs of materials used for research and development projects.

Impairment loss on trade receivables

Our 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 RMB9,000 and RMB65,000 in 2021 and 2022, respectively, and a reversal of impairment loss on trade receivables of RMB34,000 in 2023, in line with the trend in trade receivables. We had a reversal of impairment loss on trade receivables of RMB7,000 for the six months ended June 30, 2023 and a provision of impairment loss on trade receivables of RMB21,000 for the six months ended June 30, 2024, respectively. We typically grant our dealers a credit term of 21 days and, in the event that they choose the floor-plan finance arrangement offered by our Financing Partner, they are given a credit term of 90 days. Impairment loss on trade receivables is associated with trade receivables that remain unsettled by applying the expected credit loss model following applicable accounting standards.

Share of profit/loss of a joint venture

Our share of profit/loss of a joint venture represents our share of profit/loss from Leisure Lion before it became one of our subsidiaries in September 2023. For the three years ended December 31, 2023, our share of profit of a joint venture was RMB0.9 million, RMB1.1 million and RMB0.1 million, respectively. For the six months ended June 30, 2023, our share of loss of a joint venture was RMB0.3 million. Our share of profit/loss of a joint venture was nil for the six months ended June 30, 2024 because Leisure Lion has become one of our subsidiaries since September 2023.

Finance costs

Our finance costs primarily consist of interest expense on lease liabilities and interest on loans and borrowings. For the three years ended December 31, 2023 and for the six months ended June 30, 2023 and 2024, our finance costs were RMB3.1 million, RMB2.5 million, RMB2.3 million, RMB1.1 million and RMB4.8 million, respectively.

Profit before taxation

We had profit before taxation of RMB34.3 million, RMB44.3 million, RMB107.7 million, RMB42.4 million and RMB54.0 million, for the three years ended December 31, 2023 and for the six months ended June 30, 2023 and 2024, respectively.

Income tax

Income tax consist of current income tax and deferred income tax. For the three years ended December 31, 2023 and for the six months ended June 30, 2023 and 2024, we recorded income tax expenses of RMB9.2 million, RMB11.3 million, RMB28.9 million, RMB10.7 million and RMB13.6 million, respectively.

Our effective income tax rate, calculated by dividing total income tax by profit before taxation, was 26.9%, 25.5%, 26.8%, 25.3% and 25.1% for the three years ended December 31, 2023 and for the six months ended June 30, 2023 and 2024.

Taxation

We are subject to various rates of income tax under different jurisdictions. The following summarizes the major factors affecting our applicable tax in Hong Kong, PRC and Australia, which we believe are significant.

PRC

The income tax provision of us in respect of our operations in the PRC was subject to statutory tax rate of 25% on the assessable profits during the Track Record Period based on the existing legislation, interpretation and practices in respect thereof.

According to the New Corporate Income Tax Law ("**New EIT Law**"), beginning January 1, 2008, distribution of profits earned by companies in mainland China since January 1, 2008 to foreign investors is subject to withholding tax of 5% or 10%, depending on the country of incorporation of the foreign investor, upon the distribution of profits to overseas-incorporated immediate holding companies.

We do not have any plan in the foreseeable future to require our subsidiaries in mainland China to distribute their retained earnings and intend to retain them to operate and expand their business in mainland China. Accordingly, no deferred income tax liability related to withholding tax in mainland China on undistributed earnings was accrued as of the end of each Track Record Period.

Hong Kong

Entities incorporated in Hong Kong are subject to Hong Kong profits tax at a rate of 16.5% for taxable income earned in Hong Kong before April 1, 2018. Starting from the financial year commencing on April 1, 2018, the two-tiered profits tax regime took effect, under which the tax rate is 8.25% for assessable profits on the first HK$2 million and 16.5% for any assessable profits in excess of HK$2 million. No provision for Hong Kong profits tax was made as we had no estimated assessable profit that was subject to Hong Kong profits tax during the Track Record Period.

Australia

An Australian tax resident company is subject to income tax on its non-exempt worldwide income. A foreign tax resident company is subject to Australian income tax only on Australian sourced income. The Australian company tax rate is currently 30%. Income of non-resident companies from Australian sources is similarly taxable at the company tax rate if it is not subject to any withholding tax or treaty protection. However, a company that is tax resident of a country that has a double tax agreement with Australia, not operating in Australia through a permanent establishment is generally subject to tax only on Australian sourced passive income, such as rent, interest, royalties and dividends.

Companies incorporated in Australia are generally residents of Australia for income tax purposes. If a company is carrying on business in Australia with either their central management and control in Australia or their voting power controlled by Australian residents, the company can be considered as Australian resident for tax purposes.

Our subsidiaries established in Australia are subject to the standard income tax rate of 30% on their taxable income during the Track Record Period, in accordance with the relevant Australia Income Tax Assessment Act.

Profit for the year/period

As a result of the foregoing, our profit for the year/period was RMB25.1 million, RMB33.0 million, RMB78.8 million, RMB31.6 million and RMB40.4 million for the three years ended December 31, 2023 and for the six months ended June 30, 2023 and 2024, respectively.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Year Ended December 31, 2021 Compared to Year Ended December 31, 2022

Revenue

Our total revenue increased by RMB199.1 million, or 66.4%, from RMB299.7 million in 2021 to RMB498.8 million in 2022, primarily driven by revenue generated from sales of RVs. Our revenue generated from sales of RVs increased by RMB199.5 million, or 66.8%, from RMB298.6 million in 2021 to RMB498.1 million in 2022, primarily due to the increase in sales volume of RVs from 1,330 units in 2021 to 2,127 units in 2022, mainly driven by increased demand for our products as we have been continuously expanding our sales and distribution network and renewing and broadening our collection of RVs.

Cost of sales

Our cost of sales increased by RMB167.0 million, or 66.9%, from RMB249.6 million in 2021 to RMB416.5 million in 2022, primarily due to (i) an increase in cost of raw materials relating to our increased purchase of certain critical RV components and key raw materials, such as interior and exterior parts and materials including electric appliance, doors and awnings, plumbing fixtures, and substrates, in line with our business growth, and (ii) an increase in shipping and handling expenses as a result of the higher levels of shipping prices due to the disruption to global supply chains caused by COVID-19.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit increased by RMB32.1 million, or 64.1%, from RMB50.1 million in 2021 to RMB82.2 million in 2022. Our gross profit margin decreased from 16.7% in 2021 to 16.5% in 2022, primarily because cost of sales grew at a faster pace than revenue, driven by an increase in shipping and handling expenses amid COVID-19.

Other income

Our other income increased by RMB1.0 million, or 12.4%, from RMB8.1 million in 2021 to RMB9.1 million in 2022, primarily due to (i) an increase in foreign exchange gain of RMB7.4 million, and (ii) an increase in government grants of RMB0.5 million in 2022; partially offset by a lease modification of RMB6.7 million we incurred in 2021. In 2018, we entered into a five-year lease agreement for our production facilities in Australia, with an option to extend the term for up to an additional five years upon its expiration. We later decided to relocate our production facilities to a larger location to accommodate our future business expansion. Consequently, in June 2021, we decided to partially exercise the extension option, extending the lease term by one additional year. Since the overall lease term was shortened from ten years to six years, we recognized a lease modification of RMB6.7 million in 2021.

Selling and distribution expenses

Our selling and distribution expenses increased by RMB12.8 million from RMB6.5 million in 2021 to RMB19.3 million in 2022, primarily due to (i) an increase in staff costs as a result of increased headcounts of selling and distribution personnel to support our business growth, and (ii) an increase in advertising and promotion expenses resulting from our increased marketing efforts, including sponsorships, advertisement placements, online promotions and offline events, to enhance our brand recognition and acquire customers.

Administrative expenses

Our administrative expenses increased by RMB8.8 million, or 71.0%, from RMB12.4 million in 2021 to RMB21.2 million in 2022, primarily due to an increase in staff cost as a result of increased headcounts of administrative personnel to support our business growth.

Research and development expenses

Our research and development expenses increased by RMB2.3 million, or 80.3%, from RMB2.8 million in 2021 to RMB5.1 million in 2022, primarily due to (i) an increase in staff costs associated with expanded personnel engaged in product research and development to support our business growth, and (ii) research and development efforts dedicated to our towable ERV model.

Impairment loss on trade receivables

We recorded a provision of impairment loss on trade receivables of RMB9,000 and RMB65,000 in 2021 and 2022, respectively, in line with the trend in trade receivables.

Share of profit of a joint venture

Our share of profit of a joint venture remained relatively stable at RMB0.9 million in 2021 and RMB1.1 million in 2022.

Finance costs

Our finance costs decreased by RMB0.6 million, or 18.0%, from RMB3.1 million in 2021 to RMB2.5 million in 2022, primarily due to a decrease in interest expenses on lease liabilities in 2022.

Income tax

Our income tax increased by RMB2.1 million, or 22.3%, from RMB9.2 million in 2021 to RMB11.3 million in 2022, in line with our profit growth.

Profit for the year

As a result of the foregoing, our profit for the year increased by RMB7.9 million, or 31.4%, from RMB25.1 million in 2021 to RMB33.0 million in 2022.

Year Ended December 31, 2022 Compared to Year Ended December 31, 2023

Revenue

Our total revenue increased by RMB221.5 million, or 44.4%, from RMB498.8 million in 2022 to RMB720.3 million in 2023, primarily driven by revenue generated from sales of RVs.

Our revenue generated from sale of RVs increased by RMB212.6 million, or 42.7%, from RMB498.1 million in 2022 to RMB710.7 million in 2023, primarily due to the increase in sales volume of RVs from 2,127 unit in 2022 to 2,694 unit in 2023, in line with our business growth. Additionally, we recorded revenue from sales of pre-owned RVs of RMB8.7 million in 2023, see "Business — Sales and Distribution — Self-owned Stores and JV Stores" for more details.

Cost of sales

Our cost of sales increased by RMB122.7 million, or 29.5%, from RMB416.5 million in 2022 to RMB539.3 million in 2023, primarily due to an increase in cost of raw materials relating to our increased purchase of certain critical RV components and key raw materials, such as interior and exterior parts and materials including electric appliance, doors and awnings, plumbing fixtures, and substrates, in line with our business growth; partially offset by a decrease in shipping and handling expenses. Since 2022, the effects of COVID-19 have gradually diminished and shipping prices have started to normalize, returning to pre-pandemic levels in mid-2023.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit increased by RMB98.8 million from RMB82.2 million in 2022 to RMB181.1 million in 2023. Our gross profit margin increased from 16.5% in 2022 to 25.1% in 2023, primarily due to (i) the higher shipping and handling expenses in 2022 as a result of the COVID-19 pandemic, and (ii) the increase in the revenue contribution of RV models which incorporate enhanced customized options and have relatively higher gross profit margin.

Other income

Our other income increased by RMB5.4 million, or 59.3%, from RMB9.1 million in 2022 to RMB14.5 million in 2023, primarily due to an increase in foreign exchange gain of RMB6.5 million in 2023; partially offset by a decrease in government grants of RMB1.6 million in 2023.

Selling and distribution expenses

Our selling and distribution expenses increased by RMB22.2 million from RMB19.3 million in 2022 to RMB41.5 million in 2023, primarily due to (i) an increase in staff costs as a result of increased headcounts of selling and distribution personnel to support our business growth, and (ii) an increase in advertising and promotion expenses resulting from our increased marketing efforts, including sponsorships, advertisement placements, online promotions and offline events, to enhance our brand recognition and acquire customers.

Administrative expenses

Our administrative expenses increased by RMB15.1 million, or 71.0%, from RMB21.2 million in 2022 to RMB36.2 million in 2023, primarily due to an increase in staff costs as a result of an increase in the headcounts of administrative personnel to support our business growth.

Research and development expenses

Our research and development expenses increased by RMB2.9 million, or 55.9%, from RMB5.1 million in 2022 to RMB8.0 million in 2023, primarily due to (i) an increase in staff costs associated with expanded personnel engaged in product research and development to support our business growth and (ii) research and development efforts dedicated to our towable ERV model.

Impairment loss on trade receivables

We recorded a provision of impairment loss on trade receivables of RMB65,000 in 2022 and a reversal of impairment loss on trade receivables of RMB34,000 in 2023, in line with the trend in trade receivables.

Share of profit of a joint venture

Our share of profit of a joint venture was RMB1.1 million in 2022 and RMB0.1 million in 2023. In 2023, this item represents our share of profit from Leisure Lion before it became one of our subsidiaries in September 2023, while it represents our share of profit from this entity, then a joint venture, for the entire 2022. Additionally, Leisure Lion commenced operating two new JV stores in 2023, resulting in significant initial costs that affects its profitability in 2023.

Finance costs

Our finance costs remained relatively stable at RMB2.5 million in 2022 and RMB2.3 million in 2023.

Income tax

Our income tax increased by RMB17.6 million from RMB11.3 million in 2022 to RMB28.9 million in 2023, primarily due to a higher profit before taxation in 2023 compared to 2022.

Profit for the year

As a result of the foregoing, our profit for the year increased by RMB45.8 million from RMB33.0 million in 2022 to RMB78.8 million in 2023.

Six Months Ended June 30, 2023 Compared to Six Months Ended June 30, 2024

Revenue

Our total revenue increased by RMB122.5 million, or 36.3%, from RMB309.5 million for the six months ended June 30, 2023 to RMB422.0 million for the six months ended June 30, 2024, primarily driven by revenue generated from sales of RVs.

Our revenue from RV sales increased by RMB87.4 million, or 28.2%, from RMB309.5 million for the six months ended June 30, 2023 to RMB396.9 million for the six months ended June 30, 2024. This growth was driven by the strong sales of our RVs and an increase in the average selling price, see "Business — Our Product and Brand — Our Brands" for a breakdown of our sales volume and average selling price by brands. In particular, we achieved a substantial increase in the sales volume of RVs sold through direct sales via self-owned stores and JV stores in the six months ended June 30, 2024, which resulted in a corresponding rise in revenue during the same period. The sales volume of RVs via direct sales increased from 127 units for the six months ended June 30, 2023 to 438 units for the six months ended June 30, 2024. Consequently, revenue from direct sales via self-owned stores and JV stores grew from RMB41.4 million for the six months ended June 30, 2023 to RMB144.4 million for the six months ended June 30, 2024. At the same time, the sales volume of RVs through sales to dealers decreased from 1,063 units for the six months ended June 30, 2023 to 989 units for the six months ended June 30, 2024. Accordingly, revenue generated from sales to dealers decreased from RMB268.2 million for the six months ended June 30, 2023 to RMB252.5 million for the six months ended June 30, 2024.

Additionally, we recorded revenue from sales of pre-owned RVs of RMB23.4 million for the six months ended June 30, 2024, see "Business — Sales and Distribution — Self-owned Stores and JV Stores" for more details of our trade-in option.

Cost of sales

Our cost of sales increased by RMB49.0 million, or 20.6%, from RMB238.1 million for the six months ended June 30, 2023 to RMB287.1 million for the six months ended June 30, 2024, primarily due to an increase in (i) cost of raw materials relating to our increased purchase of certain critical RV components and key raw materials, such as interior and exterior parts and materials including electric appliance, doors and awnings, fiberglass panel, doors and windows, and substrates, and (ii) shipping and handling expenses, in line with our business growth.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit increased by RMB63.5 million from RMB71.4 million for the six months ended June 30, 2023 to RMB134.9 million for the six months ended June 30, 2024. Our gross profit margin increased from 23.1% for the six months ended June 30, 2023 to 32.0% for the six months ended June 30, 2024, primarily due to the higher proportion of our retail sales of RVs through self-owned stores and JV stores during the same period, attributable to the relatively higher retail prices compared to the wholesale prices for dealers.

Other income/loss

We recorded other loss of RMB2.7 million for the six months ended June 30, 2024, compared to other income of RMB7.7 million for the six months ended June 30, 2023. The change was primarily due to the transition from foreign exchange gain of RMB7.8 million for the six months ended June 30, 2023 to foreign exchange loss of RMB2.5 million for the six months ended June 30, 2024, driven by the overall weakening of the Australian dollar relative to the Renminbi in the latter period.

Selling and distribution expenses

Our selling and distribution expenses increased by RMB14.9 million from RMB17.3 million for the six months ended June 30, 2023 to RMB32.2 million for the six months ended June 30, 2024, primarily due to (i) an increase in staff costs as a result of increased headcounts of selling and distribution personnel to support our business growth and (ii) an increase in the depreciation of right-of-use assets associated with the two new lease agreements we entered into in the first half of 2024 for a self-owned store (namely, Regent RV Perth) and a JV store (namely, NEWGEN Caravan NSW (Morisset)) of ours; see "Business — Sales and Distribution — Self-owned Stores and JV stores" for more details of the lease agreements.

Administrative expenses

Our administrative expenses increased by RMB21.5 million from RMB14.1 million for the six months ended June 30, 2023 to RMB35.6 million for the six months ended June 30, 2024, primarily due to an increase in listing expenses of RMB15.3 million in connection with this Global Offering and an increase in staff costs of RMB3.6 million as a result of increased headcounts of administrative personnel to support our business growth.

Research and development expenses

Our research and development expenses increased by RMB1.6 million from RMB4.0 million for the six months ended June 30, 2023 to RMB5.6 million for the six months ended June 30, 2024, primarily due to research and development efforts dedicated to product development and upgrade.

Impairment loss on trade receivables

We recorded a reversal of impairment loss on trade receivables of RMB7,000 for the six months ended June 30, 2023 and a provision of impairment loss on trade receivables of RMB21,000 for the six months ended June 30, 2024, in line with the trend in trade receivables.

Share of loss of a joint venture

Our share of loss of a joint venture was RMB0.3 million for the six months ended June 30, 2023 and nil for the six months ended June 30, 2024. For the six months ended June 30, 2023, this item represents our share of loss from Leisure Lion before it became one of our subsidiaries in September 2023.

Finance costs

Our finance costs increased by RMB3.7 million from RMB1.1 million for the six months ended June 30, 2023 to RMB4.8 million for the six months ended June 30, 2024, primarily due to the increase in interest expense on borrowings from our related party, Zhejiang Bing Huodi Technology Service Co., Ltd., and the Financing Partner, in line with our business growth.

Income tax

Our income tax increased by RMB2.9 million from RMB10.7 million for the six months ended June 30, 2023 to RMB13.6 million for the six months ended June 30, 2024, primarily due to a higher profit before taxation during the same period.

Profit for the period

As a result of the foregoing, our profit for the period increased by RMB8.8 million from RMB31.6 million for the six months ended June 30, 2023 to RMB40.4 million for the six months ended June 30, 2024.

SELECTED ITEMS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth our financial position as of the dates indicated:

	As of December 31,			As of June 30,
	2021	2022	2023	2024
	(RMB in thousands)			
ASSETS				
Non-current assets				
Plant and equipment	13,029	15,134	19,189	19,690
Right-of-use assets	53,666	42,559	50,848	82,531
Intangible assets	21	—	—	107
Investment in a joint venture	724	900	—	—
Deferred tax assets	10,646	11,811	14,541	19,289
Total non-current assets	78,086	70,404	84,578	121,617
Current assets				
Inventories	112,443	155,636	242,827	272,374
Trade and other receivables	19,710	45,275	46,138	60,939
Prepayments	2,934	2,689	6,021	11,554
Restricted cash	2,350	4,753	4,889	14,738
Cash and cash equivalents	8,797	21,466	14,345	43,882
Total current assets	146,234	229,819	314,220	403,487
LIABILITIES				
Current liabilities				
Trade and other payables	101,589	161,656	240,666	274,399
Contract liabilities	4,843	7,596	12,803	7,103
Loans and borrowings	26,686	9,117	31,208	104,588
Lease liabilities	14,469	23,726	29,016	10,646
Current taxation	—	1,251	7,418	10,037
Provisions	914	1,896	2,970	3,079
Total current liabilities	148,501	205,242	324,081	409,852
Net current (liabilities)/assets	(2,267)	24,577	(9,861)	(6,365)
Total assets less current liabilities	75,819	94,981	74,717	115,252

	As of December 31,			As of June 30,
	2021	2022	2023	2024
	(RMB in thousands)			
Non-current liabilities				
Loans and borrowings	—	—	408	345
Lease liabilities	46,862	34,995	43,362	75,826
Provisions	1,987	3,032	3,761	3,798
Total non-current liabilities	48,849	38,027	47,531	79,969
NET ASSETS	26,970	56,954	27,186	35,283
CAPITAL AND RESERVES				
Share capital	—	—	—	—
Reserves	26,970	56,954	25,282	32,500
Total equity attributable to equity shareholders of the Company	26,970	56,954	25,282	32,500
Non-controlling interests	—	—	1,904	2,783
TOTAL EQUITY	26,970	56,954	27,186	35,283

Plant and equipment

Our plant and equipment primarily consist of (i) machinery and equipment, (ii) office equipment and furniture, and (iii) motor vehicles. Our plant and equipment increased from RMB13.0 million as of December 31, 2021 to RMB15.1 million as of December 31, 2022, RMB19.2 million as of December 31, 2023, and further to RMB19.7 million as of June 30, 2024, primarily due to the renovations and additions of machinery and equipment in our production facilities and assembly lines.

Right-of-use assets

Our right-of-use assets represent leases of office buildings, stores and warehouses. Our right-of-use assets decreased from RMB53.7 million as of December 31, 2021 to RMB42.6 million as of December 31, 2022, primarily due to depreciation of right-of-use assets. Our right-of-use assets increased to RMB50.8 million as of December 31, 2023, and further to RMB82.5 million as of June 30, 2024, primarily because we entered into new lease agreements during the six months ended June 30, 2024.

Investment in a joint venture

Our investment in a joint venture represents our equity interest in Leisure Lion, initially a joint venture established by Regent Company, together with Green RV, in Australia in July 2019, with each of Green RV and us holding 50% interest, respectively. Subsequently, Leisure Lion became one of our subsidiaries in September 2023 when the shareholding interest of Regent Company in it increased to 51%. As a result, Leisure Lion is owned as to 51% by Regent Company and 49% by Green RV. For more details, see "History, Reorganization and Corporate Structure — Corporate Development — Subsidiaries of Regent Company."

Our investment in a joint venture increased from RMB0.7 million as of December 31, 2021 to RMB0.9 million as of December 31, 2022, primarily as a result of the improvement in operations of our joint venture. Our investment in a joint venture was nil and nil as of December 31, 2023 and June 30, 2024, respectively, primarily because Leisure Lion has become one of our subsidiaries since September 2023.

Deferred tax assets

Our deferred tax assets primarily arise from unrealized gains from intra-group transactions, provision for product warranties, lease liabilities, and right-of-use assets. Our deferred tax assets increased from RMB10.6 million as of December 31, 2021 to RMB11.8 million as of December 31, 2022, and further to RMB14.5 million as of December 31, 2023, primarily due to increases in the temporary differences attributable to (i) unrealized gains from intra-group transactions, and (ii) provision for product warranties, in line with our growing business and sales of RVs. Our deferred tax assets increased from RMB14.5 million as of December 31, 2023 to RMB19.3 million as of June 30, 2024, primarily due to the impact of an increase in unrealized gains from intra-group transactions. This increase was driven by a substantial rise in the RVs held in stock for display in our self-owned stores and JV stores under the direct sales model.

Inventories

Our inventories primarily consist of raw materials, work in process and finished goods. Our inventories increased from RMB112.4 million as of December 31, 2021 to RMB155.6 million as of December 31, 2022, RMB242.8 million as of December 31, 2023, and further to RMB272.4 million as of June 30, 2024. Such increases were driven by the launch of new RV models, increases in production volume and RV delivery to meet robust customer demand, and the increase in stock to be showcased in our newly established self-owned stores and JV stores.

The table below sets forth our inventories by nature as of the dates indicated:

	As of December 31,			As of June 30,
	2021	2022	2023	2024
	(RMB in thousands)			
Raw materials	35,967	43,359	88,431	42,775
Work in process	79,587	92,815	72,680	109,846
Finished goods	3,217	24,095	86,996	127,332
Sub-total	118,771	160,269	248,107	279,953
Less: Provision for impairment of inventories	(6,328)	(4,633)	(5,280)	(7,579)
Total	112,443	155,636	242,827	272,374

The following table sets forth an aging analysis of inventories as of the dates indicated.

	As of December 31,			As of June 30,
	2021	2022	2023	2024
	(RMB in thousands)			
Within 1 year	110,715	151,562	239,504	265,922
1 to 2 years	3,082	5,184	7,836	11,554
2 to 3 years	1,663	1,643	227	2,275
Over 3 years	3,311	1,880	540	202
	118,771	160,269	248,107	279,953
Less: inventory provision	(6,328)	(4,633)	(5,280)	(7,579)
	112,443	155,636	242,827	272,374

We have implemented several inventory management policies, including but not limited to procuring materials based on the production schedule, regularly monitoring our inventory levels and assessing for obsolete and damaged items to ensure proper inventory condition, etc. We make provisions for obsoleted and damaged items, as well as for items whose costs are below their net realizable values. The inventory provisions were RMB6.3 million, RMB4.6 million, RMB5.3 million and RMB7.6 million as of December 31, 2021, 2022 and 2023 and June 30, 2024, respectively, representing 5.3%, 2.9%, 2.1% and 2.7% of the total gross inventories as of the same date, respectively. Due to our made-to-sale model and the fact that our RVs are sold at a profit, we face lower exposure to risks associated with net realizable value. We believe sufficient provision has been made and there is no material recoverability issue for inventories.

Furthermore, work in process and finished goods collectively accounted for 69.7%, 72.9%, 64.4% and 84.7% of our total inventories as of December 31, 2021, 2022 and 2023 and June 30, 2024, respectively. These items consistently present a high level of our inventories, primarily due to the length of the production and delivery timelines. We generally implement a made-to-order production approach and produce our RVs based on customer orders to minimize our inventory. The entire production process of our RVs requires approximately 12 weeks, excluding the delivery time transporting the close-to-final towable RVs to the final assembly lines in Australia. Additionally, the transportation process from China to Australia further lengthens this period. Furthermore, with more stores under the direct sales model opened in 2023, there was a substantial rise in the RVs held in stock for display in our newly established self-owned stores and JV stores, which led to further increase in finished goods.

The following table sets forth our inventory turnover days for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,
	2021	**2022**	**2023**	**2024**
Inventory turnover days(1)	174	122	138	166

Note:

(1) We calculate inventory turnover days using the average of the beginning and ending balances of total inventories for a period, divided by the corresponding total cost of sales for the same period, multiplied by the number of days in such period.

Our inventory turnover days were 174 days, 122 days, 138 days, and 166 days for the three years ended December 31, 2023 and for the six months ended June 30, 2024, respectively. The decrease in our inventory turnover days from 2021 to 2022 was primarily because the increase in cost of sales, which was primarily driven by increased shipping and handling expenses resulting from rising shipping costs amid COVID-19, outpaced the increase in inventories. The increase in our inventory turnover days from 2022 to 2023 indicates that our cost of sales grew at a slower pace compared to inventories. Since 2022, the effects of COVID-19 have gradually diminished and shipping prices have started to normalize, resulting in lower per-unit shipping and handling expenses in 2023. Our inventory turnover days significantly improved in 2022 and 2023 compared to 2021, indicating progress in our operational efficiency. The increase in our inventory turnover days from 2023 to the six months ended June 30, 2024 was mainly due to the increase in stock to be showcased in our self-owned stores and JV stores.

Our inventory turnover days ranged from 122 to 174 days during the Track Record Period, primarily due to the length of the production and delivery timelines which affects our inventory levels. Our production process requires approximately 12 weeks, with additional time needed for delivery.

As of October 31, 2024, RMB227.9 million, or 83.7%, of our inventories as of June 30, 2024 had been subsequently sold or utilized.

Trade and other receivables

Our trade and other receivables primarily consist of trade receivables. Trade and other receivables are classified as current assets if they are expected to be collected in one year or less. All of our trade and other receivables are expected to be recovered within one year. Our management has a credit policy in place and the exposure to these credit risks are monitored on an ongoing basis.

The following table sets forth our trade and other receivables as of the dates indicated:

	As of December 31,			As of June 30,
	2021	2022	2023	2024
	(RMB in thousands)			
Trade receivables	19,421	43,043	39,918	48,067
Tax receivable	—	—	—	5,523
Relocation subsidy receivable	—	—	—	2,477
Others	289	2,232	6,220	4,872
Total	19,710	45,275	46,138	60,939

Our trade and other receivables as of December 31, 2021, 2022 and 2023 and June 30, 2024 were RMB19.7 million, RMB45.3 million, RMB46.1 million and RMB60.9 million, respectively. Increases in our trade and other receivables was primarily driven by our trade receivables, in line with our business growth.

We typically grant our customers a credit term of 21 days or 90 days. The following table sets forth the aging analysis of our trade receivables, based on the past due aging and net of loss allowance, as of the dates indicated:

	As of December 31,			As of June 30,
	2021	2022	2023	2024
	(RMB in thousands)			
Within 90 days	19,421	42,971	39,918	47,994
More than 90 days less than 180 days	—	72	—	73
Total	19,421	43,043	39,918	48,067

The following table sets forth our trade and other receivables turnover days for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,
	2021	2022	2023	2024
Trade and other receivables turnover days(1)	23	24	23	23

Note:

(1) We calculate trade and other receivables turnover days using the average of the beginning and ending balances of trade and other receivables for a period, divided by the corresponding revenue for the same period, multiplied by the number of days in such period.

For the three years ended December 31, 2023 and for the six months ended June 30, 2024, our trade and other receivables turnover days were 23 days, 24 days, 23 days and 23 days, respectively, remaining relatively stable.

As of October 31, 2024, RMB46.0 million, or 75.5%, of our trade and other receivables as of June 30, 2024 had been subsequently settled. During the Track Record Period and up to the Latest Practicable Date, we did not have any material dispute or disagreement with our customers in relation to the timing, amounts of billing or the collection of our trade receivables.

We have implemented several credit control measures, including but not limited to regularly performing reconciliation with our dealers, monitoring our accounts receivables by aging analysis and assessing if certain dealer has operating issues, etc.

We make impairment loss for accounts receivables based on expected credit loss model. We recorded a provision of impairment loss on trade receivables of RMB9,000 and RMB65,000 in 2021 and 2022, respectively, and a reversal of impairment loss on trade receivables of RMB34,000 in 2023. We recorded a provision of impairment loss on trade receivables of RMB21,000 for the six months ended June 30, 2024.

We typically grant our customers a credit term of 21 days or 90 days. As of December 31, 2021, 2022 and 2023 and June 30, 2024, 100%, 99.8%, 100% and 99.8% of our trade receivables were within 90 days. Besides, the turnover days for trade and other receivables remained relatively stable during the Track Record Period, fluctuating between 23 and 24 days.

Given that most of the trade receivables are collected within the credit terms and there has been no history of defaults, sufficient provision for impairment losses on accounts receivables has been made, and there are no material recoverability issues for trade receivables.

Prepayments

Our prepayments are primarily associated with purchases of materials and services. The following table sets forth a breakdown of our prepayments as of the dates indicated:

	As of December 31,			As of June 30,
	2021	2022	2023	2024
	(RMB in thousands)			
Prepayments for:				
Purchases of materials	2,699	1,687	3,369	4,366
Purchases of services	235	1,002	2,652	2,927
Prepayment for listing expenses	—	—	—	4,261
Total	2,934	2,689	6,021	11,554

Our prepayments as of December 31, 2021, 2022 and 2023 and June 30, 2024 were RMB2.9 million, RMB2.7 million, RMB6.0 million and RMB11.6 million, respectively. Our prepayments remained relatively stable at RMB2.9 million as of December 31, 2021 and RMB2.7 million as of December 31, 2022. Our prepayments increased from RMB2.7 million as of December 31, 2022 to RMB6.0 million as of December 31, 2023, primarily due to (i) an increase in purchases of materials resulting from the production expansion, in line with our business growth; and (ii) an increase in purchases of services resulting from our increased marketing efforts, including online promotions and offline events, to enhance our brand recognition and acquire customers. Our prepayments increased from RMB6.0 million as of December 31, 2023 to RMB11.6 million as of June 30, 2024, primarily due to prepayment for listing expenses in connection with this Global Offering.

As of October 31, 2024, RMB9.7 million, or 83.6%, of our prepayments as of June 30, 2024 had been subsequently utilized.

Restricted cash

As of December 31, 2021, 2022 and 2023 and June 30, 2024, our bank deposits of RMB2.4 million, RMB4.8 million, RMB4.9 million and RMB14.7 million were restricted for the purposes of leasing deposits and pledged as guarantees of loans and borrowings.

Trade and other payables

Our trade and other payables primarily represent the amount due to our suppliers and accrued payroll and other benefits. Our suppliers typically grant us a credit term of 30 days to 90 days. Trade and other payables are classified as current liabilities if payment is due within one year or less, and as non-current liabilities if due over one year. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

The following table sets forth the breakdown of our trade and other payables as of the dates indicated:

	As of December 31,			As of June 30,
	2021	2022	2023	2024
	(RMB in thousands)			
Trade payables due to				
related parties	7,562	7,658	6,545	6,542
third parties	78,113	133,454	197,540	209,581
Bills payable	3,280	3,000	4,760	9,270
Accrued payroll and other benefits	7,079	11,566	21,513	17,608
VAT and sundry taxes payable	3,113	5,489	7,435	11,516
Listing expenses payable	—	—	—	12,017
Accrued expense	1,810	—	2,468	7,670
Other payables	2,442	489	2,873	195
Trade and other payables	101,589	161,656	240,666	274,399

Our trade and other payables as of December 31, 2021, 2022 and 2023 and June 30, 2024 were RMB101.6 million, RMB161.7 million, RMB240.7 million and RMB274.4 million, respectively. Our trade and other payables increased from RMB101.6 million as of December 31, 2021 to RMB161.7 million as of December 31, 2022, RMB240.7 million as of December 31, 2023, and further to RMB274.4 million as of June 30, 2024, primarily due to the increases in trade payables due to third parties resulting from the increases in procurement of raw materials and components. The increase in our trade and other payables from RMB240.7 million as of December 31, 2023 to RMB274.4 million as of June 30, 2024 was also attributable to listing expenses payable in connection with this Global Offering and an increase in the VAT and sundry taxes payable.

The following table sets forth the aging analysis of our trade payables and bills payable, based on the invoice date, as of the dates indicated:

	As of December 31,			As of June 30,
	2021	2022	2023	2024
	(RMB in thousands)			
Within 1 year	88,572	143,286	204,983	220,690
1 year to 2 years	383	826	3,077	4,696
2 years to 5 years	—	—	785	7
Total	88,955	144,112	208,845	225,393

The following table sets forth our trade and other payables turnover days for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,
	2021	2022	2023	2024
Trade and other payables turnover days(1)	149	115	136	162

Note:

(1) We calculate trade and other payables turnover days using the average of the beginning and ending balances of trade and other payables for a period, divided by the corresponding cost of sales for the same period, multiplied by the number of days in such period.

For the three years ended December 31, 2023 and for the six months ended June 30, 2024, our trade and other payables turnover days were 149 days, 115 days, 136 days and 162 days, respectively. The decreases in our trade and other payables turnover days from 149 in 2021 to 115 in 2022 was primarily because the increase in cost of sales, which was primarily driven by increased shipping and handling expenses resulting from rising shipping costs amid COVID-19, outpaced the increase in trade and other payables. Our trade and other payables turnover days increased from 115 in 2022 to 136 in 2023, indicating that our cost of sales grew at a slower pace compared to trade and other payables. Since 2022, the effects of COVID-19 have gradually diminished and shipping prices have started to normalize, resulting in lower per-unit shipping and handling expenses in 2023. The increase in our trade and other payables turnover days from 136 in 2023 to 162 for the six months ended June 30, 2024 was mainly due to the increases in trade payables due to third parties resulting from the increases in procurement of raw materials and components, as well as the listing expenses payable.

As of October 31, 2024, RMB148.0 million, or 53.9%, of our trade and other payables as of June 30, 2024 had been subsequently settled. During the Track Record Period and up to the Latest Practicable Date, we had no material defaults in our trade and other payables.

Contract liabilities

We recognize a contract liability when the customer pays non-refundable consideration before we recognize the related revenue. A contract liability is also recognized if we have an unconditional right to receive non-refundable consideration before we recognize the related revenue. Our contract liabilities represent advances received from our customers. The following table sets forth a breakdown of our contract liabilities as of the dates indicated:

	As of December 31,			As of June 30,
	2021	**2022**	**2023**	**2024**
	(RMB in thousands)			
Advances from customers	4,843	7,596	12,803	7,103
Total	4,843	7,596	12,803	7,103

Our contract liabilities increased from RMB4.8 million as of December 31, 2021 to RMB7.6 million as of December 31, 2022, and further to RMB12.8 million as of December 31, 2023, primarily due to an increase in advances received from our customers in relation to the sales of our products. Our contract liabilities decreased from RMB12.8 million as of December 31, 2023 to RMB7.1 million as of June 30, 2024, primarily due to a decrease in advances received from our customers in relation to the sales of our products.

As of October 31, 2024, RMB4.5 million, or 63.4%, of our contract liabilities as of June 30, 2024 had been subsequently utilized and recognized in revenue. This utilization rate primarily reflects the impact of customer-specified delivery schedules. For each RV, we allow customers to specify their requested delivery dates. While our production process requires approximately 12 weeks with additional time needed for delivery, many customers opt for delivery dates that extend well beyond this production and delivery timeframe for various reasons, such as their financial planning. As a result, contract liabilities remain, and the recognition of revenue is deferred, until the RVs are delivered as per the customer's requested date.

Current taxation

Our current taxation represents tax payable calculated based on the expected taxable income for the year/period, using the tax rates enacted or substantially enacted at the financial position date, and any adjustment of tax payable for previous years. The following table sets forth more details of our current taxation as of the dates indicated:

	For the year ended December 31,			For the six months ended June 30,
	2021	2022	2023	2024
	(RMB in thousands)			
At beginning of the year/period	—	—	1,251	7,418
Provision for PRC income tax	6,334	11,055	25,486	14,710
Provision for overseas tax	—	1,241	5,932	3,741
Provisional profits tax paid	—	—	—	(5,680)
Deemed contribution	(6,334)	(11,055)	(25,486)	(9,995)
Exchange adjustments	—	10	235	(157)
At the end of the year/period	—	1,251	7,418	10,037

We made provisions for PRC income tax for each year/period during the Track Record Period, which were settled by the assets at the legal entity level of Daide Longtree and Longtree Zhejiang, as accounted for as deemed contribution. Additionally, we made provisions for overseas tax related to our operations in Australia.

Net deficit

As of January 1, 2021, the Group's net deficit of RMB3.2 million primarily resulted from the accumulated losses of RMB37.6 million from its Australian subsidiaries, which were offset by a net parent investment of RMB34.4 million related to the net assets of certain manufacturing activities of the listing business carried out by two entities that were under common control of the Controlling Shareholders in the PRC. The accumulated losses as of January 1, 2021 mainly arose from the losses incurred in early stage when the Group acquired Regent Company and tapped into the Australian market in 2014. The sales volume was low while the operating and production costs were comparatively fixed at that time.

LIQUIDITY AND CAPITAL RESOURCES

Sources of Liquidity and Working Capital

The following table sets forth a summary of our liquidity and working capital as of the dates indicated:

	As of December 31,			As of June 30,	As of October 31,
	2021	2022	2023	2024	2024
					(Unaudited)
	(RMB in thousands)				
CURRENT ASSETS					
Inventories	112,443	155,636	242,827	272,374	232,026
Trade and other receivables	19,710	45,275	46,138	60,939	90,755
Prepayments	2,934	2,689	6,021	11,554	19,730
Restricted cash	2,350	4,753	4,889	14,738	49,945
Cash and cash equivalents	8,797	21,466	14,345	43,882	30,407
Total current assets	146,234	229,819	314,220	403,487	422,863
CURRENT LIABILITIES					
Trade and other payables	101,589	161,656	240,666	274,399	297,240
Contract liabilities	4,843	7,596	12,803	7,103	7,167
Loans and borrowings	26,686	9,117	31,208	104,588	74,728
Lease liabilities	14,469	23,726	29,016	10,646	14,230
Current taxation	—	1,251	7,418	10,037	11,293
Provisions	914	1,896	2,970	3,079	3,723
Total current liabilities	148,501	205,242	324,081	409,852	408,381
NET CURRENT (LIABILITIES)/ASSETS	(2,267)	24,577	(9,861)	(6,365)	14,482

As of October 31, 2024, we had net current assets of RMB14.5 million, primarily due to (i) inventories of RMB232.0 million, representing a decrease of RMB40.4 million compared to RMB272.4 million as of June 30, 2024 and (ii) trade and other receivables of RMB90.8 million, representing an increase of RMB29.9 million compared to RMB60.9 million as of June 30, 2024, partially offset by (iii) trade and other payables of RMB297.2 million, representing an increase of RMB22.8 million compared to RMB274.4 million as of June 30, 2024, and (iv) loans and borrowings of RMB74.7 million, representing a decrease of RMB29.9 million compared to RMB104.6 million as of June 30, 2024.

As of June 30, 2024, we had net current liabilities of RMB6.4 million, primarily due to (i) trade and other payables of RMB274.4 million, representing an increase of RMB33.7 million compared to RMB240.7 million as of December 31, 2023, and (ii) loans and borrowings of RMB104.6 million, representing an increase of RMB73.4 million compared to RMB31.2 million as of December 31, 2023, partially offset by (iii) inventories of RMB272.4 million, representing an increase of RMB29.6 million compared to RMB242.8 million as of December 31, 2023, (iv) trade and other receivables of RMB60.9 million, representing an increase of RMB14.8 million compared to RMB46.1 million as of December 31, 2023, and (v) cash and cash equivalents of RMB43.9 million, representing an increase of RMB29.6 million compared to RMB14.3 million as of December 31, 2023.

As of December 31, 2023, we had net current liabilities of RMB9.9 million, primarily due to (i) trade and other payables of RMB240.7 million, representing an increase of RMB79.0 million compared to RMB161.7 million as of December 31, 2022, (ii) loans and borrowings of RMB31.2 million, representing an increase of RMB22.1 million compared to RMB9.1 million as of December 31, 2022, and (iii) lease liabilities of RMB29.0 million, representing an increase of RMB5.3 million compared to RMB23.7 million as of December 31, 2022; partially offset by (iv) inventories of RMB242.8 million, representing an increase of RMB87.2 million compared to RMB155.6 million as of December 31, 2022, and (v) trade and other receivables of RMB46.1 million, representing an increase of RMB0.8 million compared to RMB45.3 million as of December 31, 2022.

We underwent the Reorganization which was completed in May 2024, see "History, Reorganization and Corporate Structure" for more details. Before the Reorganization, we recorded a cash outflow in financing activities from deemed distribution of RMB138.2 million for the year ended December 31, 2023. After the Reorganization, we determine the distribution to shareholders according to our liquidity status and no further deemed distribution is or will be recorded. Elimination of this outflow is expected to strengthen our position to reduce net current liabilities over time.

We had net current assets of RMB14.5 million as of October 31, 2024, compared to net current liabilities of RMB6.4 million as of June 30, 2024, primarily due to an increase of RMB19.4 million in total current assets, which was mainly driven by an increase in restricted cash and trade and other receivables, partially offset by a decrease in inventories, resulting from the Company's overall business growth and sustained profitability. We expect to improve our liquidity position by monitoring our cash flow and aligning capital expenditure prudently. Furthermore, our liquidity position can continue to benefit from net profit. By utilizing cash generated from operations, we can strengthen our ability to meet short-term obligations and improve our net current liabilities position over time.

As of December 31, 2022, we had net current assets of RMB24.6 million, primarily due to (i) inventories of RMB155.6 million, representing an increase of RMB43.2 million compared to RMB112.4 million as of December 31, 2021, (ii) trade and other receivables of RMB45.3 million, representing an increase of RMB25.6 million compared to RMB19.7 million as of December 31, 2021, and (iii) cash and cash equivalents of RMB21.5 million, representing an increase of RMB12.7 million compared to RMB8.8 million as of December 31, 2021; partially offset by (iv) trade and other payables of RMB161.7 million, representing an increase of RMB60.1 million compared to RMB101.6 million as of December 31, 2021, and (v) lease liabilities of RMB23.7 million, representing an increase of RMB9.2 million compared to RMB14.5 million as of December 31, 2021.

As of December 31, 2021, we had net current liabilities of RMB2.3 million, primarily due to (i) trade and other payables of RMB101.6 million, (ii) loans and borrowings of RMB26.7 million, and (iii) lease liabilities of RMB14.5 million; partially offset by (iv) inventories of RMB112.4 million, and (v) trade and other receivables of RMB19.7 million.

Cash Flows

During the Track Record Period and up to the Latest Practicable Date, we have funded our cash requirements principally from cash generated from our sales of RVs. As of December 31, 2021, 2022 and 2023 and June 30, 2024, we had cash and cash equivalents of RMB8.8 million, RMB21.5 million, RMB14.3 million and RMB43.9 million, respectively.

The following table sets forth a summary of our cash flows for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,	
	2021	2022	2023	2023	2024
				(Unaudited)	
	(RMB in thousands)				
Net cash generated from operating activities	19,409	57,784	119,770	108,160	35,554
Net cash used in investing activities	(4,499)	(5,409)	(2,703)	(1,974)	(3,141)
Net cash used in financing activities	(8,970)	(39,881)	(124,801)	(114,550)	(2,545)
Net increase/(decrease) in cash and cash equivalents	5,940	12,494	(7,734)	(8,364)	29,868
Cash and cash equivalents as of January 1	3,101	8,797	21,466	21,466	14,345
Effect of foreign exchange rate changes	(244)	175	613	325	(331)
Cash and cash equivalents at end of the year/period	8,797	21,466	14,345	13,427	43,882

Cash flows generated from operating activities

For the six months ended June 30, 2024, our net cash generated from operating activities was RMB35.6 million, primarily due to profit before taxation of RMB54.0 million, adjusted to reflect mainly (i) depreciation and amortization of RMB10.5 million and finance costs of RMB4.8 million, and (ii) changes in working capital. Adjustments for changes in working capital primarily consist of (iii) an increase in inventories of RMB29.5 million, and (iv) an increase in trade and other receivables of RMB14.8 million; partially offset by (iv) an increase in trade and other payables of RMB35.3 million.

For the year ended December 31, 2023, our net cash generated from operating activities was RMB119.8 million, primarily due to profit before taxation of RMB107.7 million, adjusted to reflect mainly (i) depreciation and amortization of RMB16.3 million and finance costs of RMB2.3 million, and (ii) changes in working capital. Adjustments for changes in working capital primarily consist of (iii) an increase in inventories of RMB39.8

million; partially offset by (iv) an increase in trade and other payables of RMB24.5 million, (v) a decrease in trade and other receivables of RMB6.0 million, and (vi) an increase in contract liabilities of RMB5.2 million.

For the year ended December 31, 2022, our net cash generated from operating activities was RMB57.8 million, primarily due to profit before taxation of RMB44.3 million, adjusted to reflect mainly (i) depreciation and amortization of RMB14.3 million and finance costs of RMB2.5 million, and (ii) changes in working capital. Adjustments for changes in working capital primarily consist of (iii) an increase in inventories of RMB43.2 million, and (iv) an increase in trade and other receivables of RMB23.9 million; partially offset by (v) an increase in trade and other payables of RMB60.1 million.

For the year ended December 31, 2021, our net cash generated from operating activities was RMB19.4 million, primarily due to profit before taxation of RMB34.3 million, adjusted to reflect mainly (i) depreciation and amortization of RMB12.3 million, partially offset by lease modification of RMB6.7 million, and (ii) changes in working capital. Adjustments for changes in working capital primarily consist of (i) an increase in inventories of RMB62.7 million, and (ii) a decrease in contract liabilities of RMB18.3 million; partially offset by (iii) an increase in trade and other payables of RMB58.4 million.

Cash flows used in investing activities

During the Track Record Period, our cash outflows used in investing activities primarily consist of payment for purchase of plant and equipment, while our cash inflows from investing activities primarily consist of (i) proceeds from sale of plant and equipment, and (ii) acquisition of a subsidiary, net of cash acquired.

For the six months ended June 30, 2024, our net cash used in investing activities was RMB3.1 million, primarily due to payment for purchase of plant and equipment of RMB3.0 million.

For the year ended December 31, 2023, our net cash used in investing activities was RMB2.7 million, primarily due to payment for purchase of plant and equipment of RMB7.2 million; partially offset by acquisition of a subsidiary, net of cash acquired of RMB4.0 million.

For the year ended December 31, 2022, our net cash used in investing activities was RMB5.4 million, primarily due to payment for purchase of plant and equipment of RMB6.3 million; partially offset by proceeds from sale of equipment of RMB0.9 million.

For the year ended December 31, 2021, our net cash used in investing activities was RMB4.5 million, primarily due to payment for purchase of plant and equipment of RMB4.6 million.

Cash flows used in financing activities

During the Track Record Period, our cash outflows used in financing activities primarily consist of (i) repayment of loans and borrowings, (ii) capital element of lease rentals paid, and (iii) deemed distribution, while our cash inflows from financing activities primarily from the (iv) proceeds from loans and borrowings, and (v) capital contributions from non-controlling shareholders of subsidiaries.

For the six months ended June 30, 2024, our net cash used in financing activities was RMB2.5 million, primarily due to (i) payment arising from the Reorganization of RMB52.8 million, (ii) repayment of loans and borrowings of RMB43.8 million, and (iii) capital element of lease rentals paid of RMB7.2 million; partially offset by (iv) proceeds from loans and borrowings of RMB114.0 million.

For the year ended December 31, 2023, our net cash used in financing activities was RMB124.8 million, primarily due to (i) deemed distribution of RMB138.3 million, (ii) repayment of loans and borrowings of RMB19.5 million, and (iii) capital element of lease rentals paid of RMB8.3 million; partially offset by (iv) proceeds from loans and borrowings of RMB41.1 million, and (v) capital contributions from a non-controlling shareholder of a subsidiary of RMB1.2 million.

For the year ended December 31, 2022, our net cash used in financing activities was RMB39.9 million, primarily due to (i) deemed distribution of RMB57.4 million, (ii) capital element of lease rentals paid of RMB4.7 million, and (iii) repayment of loans and borrowings of RMB2.5 million; partially offset by proceeds from loans and borrowings of RMB27.9 million.

For the year ended December 31, 2021, our net cash used in financing activities was RMB9.0 million, primarily due to (i) capital element of lease rentals paid of RMB3.8 million, (ii) deemed contribution of RMB3.8 million, and (iii) interest element of lease rentals paid of RMB1.3 million.

Working Capital Sufficiency

Taking into account the financial resources available to us, including the estimated net proceeds from the Global Offering, cash flow generated from our operations, facilities available to us and cash and cash equivalents, our Directors are of the opinion, and the Sole Sponsor concurs, that we will have sufficient funds to meet our working capital requirements and financial requirements for capital expenditure for at least the next 12 months from the date of this Prospectus.

CAPITAL EXPENDITURES

Our capital expenditures during the Track Record Period primarily consisted of payment for purchases of plant and equipment. Our capital expenditures were RMB5.0 million, RMB6.0 million, RMB7.0 million and RMB3.0 million for the three years ended December 31, 2023 and for the six months ended June 30, 2024, respectively.

We expect that our capital expenditures in 2024 and 2025 will primarily consist of payment for purchases of plant and equipment for our continued expansion plan. See "Business — Our Strategies" and "Future Plans and Use of Proceeds" in this Prospectus for additional details of our current expansion plans. Our current capital expenditure plans for any future period are subject to change, and we may adjust our capital expenditures according to our future cash flows, results of operations and financial condition, our business plans, the market conditions and various other factors we believe to be appropriate.

INDEBTEDNESS

The following table sets forth the breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of June 30,	As of October 31,
	2021	2022	2023	2024	2024
					(Unaudited)
	(RMB in thousands)				
Current					
Loans and borrowings	26,686	9,117	31,208	104,588	74,728
Lease liabilities	14,469	23,726	29,016	10,646	14,230
Non-current					
Loans and borrowings	—	—	408	345	408
Lease liabilities	46,862	34,995	43,362	75,826	72,195
Total	88,017	67,838	103,994	191,405	161,561

Loans and Borrowings

As of December 31, 2021, 2022 and 2023, June 30, 2024 and October 31, 2024, we had loans and borrowings of RMB26.7 million, RMB9.1 million, RMB31.6 million, RMB104.9 million and RMB75.1 million, respectively.

The following table sets forth a breakdown of our loans and borrowings as of the dates indicated:

	As of December 31,			As of June 30,	As of October 31,
	2021	2022	2023	2024	2024
					(Unaudited)
	(RMB in thousands)				
Current					
Unsecured related party loans	26,686	—	—	35,474	—
Secured loans and borrowings	—	9,117	31,208	69,114	62,011
Unsecured bank loans	—	—	—	—	12,717
Non-current					
Unsecured bank loans	—	—	408	345	408
Total	26,686	9,117	31,616	104,933	75,136

Our total loans and borrowings as of December 31, 2021 represent the unsecured related party loans which were provided by Flourishing and were payment on demand. In 2022, all the remaining related party loans were converted into capital to Regent Company, resulting in unsecured related party loans of nil as of December 31, 2022.

Our total loans and borrowings as of December 31, 2022 and 2023 primarily comprise secured loans and borrowings provided by the Financing Partner to our subsidiaries, which operate our self-owned stores and JV stores, in the event that they opt for the floor-plan finance arrangement to finance their RV purchase. These secured loans and borrowings are with interest rates of benchmark interest rate in Australia plus 2.09% and secured by the funded RVs. For more details, see "Business — Sales and Distribution — Financing Arrangements." The increase in our total loans and borrowings as of December 31, 2023 compared to 2022 is in line with our sales growth with respect to these subsidiaries.

Our total loans and borrowings as of June 30, 2024 primarily comprise (i) the secured loans and borrowings provided by the Financing Partner to the aforementioned subsidiaries, which operate our self-owned stores and JV stores, and (ii) unsecured related party loans representing the remaining balance of a temporary financing arrangement for the payment of consideration involved in the Reorganization, which were provided by an indirect 30%-controlled company by our Controlling Shareholders and were settled in October 2024.

Our total loans and borrowings as of October 31, 2024 as compared to those as of June 30, 2024 reflected a new loan granted by a PRC commercial bank which comprised RMB12.7 million of unsecured loan. As of October 31, 2024, we had obtained facilities of RMB69.1 million, of which RMB15.3 million, or 22.1%, was unutilized and available. The foregoing facilities have been approved and formally confirmed by our Financing Partner in the relevant facility agreements and no restriction is imposed on the use of such facilities under the relevant facility agreements. Our Australian Legal Adviser is of the view that the relevant facility agreements are valid under the Australian laws. Further, according to the relevant facility agreements, our Financing Partner can only terminate the agreements if there is an event of default stipulated in the facility agreements by the Australian Companies or they elect to exercise their options to terminate. As of the Latest Practicable Date, our Directors confirmed that (i) no event of default has been triggered by our Australian Companies, and (ii) our Financing Partner did not express any intention (written or verbal) to exercise their option to terminate the relevant facility agreements. Hence, as confirmed by our Directors and advised by our Australian Legal Adviser, there is nothing that would cause us to cast doubt on the certainty of such facilities.

The following table sets forth the maturity profile of our loans and borrowings as of the dates indicated:

	As of December 31,			As of June 30,	As of October 31,
	2021	**2022**	**2023**	**2024**	**2024**
					(Unaudited)
	(RMB in thousands)				
Within 1 year	26,686	9,117	31,208	104,588	74,728
1 year to 5 years	—	—	408	345	408
Total	26,686	9,117	31,616	104,933	75,136

Our Directors confirm that as of the Latest Practicable Date, the agreements under our borrowings did not contain any covenant that would have a material adverse effect on our ability to make additional borrowings or issue debt or equity securities in the future. Our Directors further confirm that we had no material defaults in bank and other borrowings, nor did we breach any covenants during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that during the Track Record Period and up to the Latest Practicable Date, we did not experience any material difficulty in obtaining credit facilities, or withdrawal of facilities or request for early repayment.

Lease Liabilities

As of December 31, 2021, 2022 and 2023, June 30, 2024 and October 31, 2024, we had lease liabilities of RMB61.3 million, RMB58.7 million, RMB72.4 million, RMB86.5 million and RMB86.4 million, respectively.

The following table sets forth the maturity profile of our lease liabilities as of the dates indicated:

	As of December 31,			As of June 30,	As of October 31,
	2021	2022	2023	2024	2024
					(Unaudited)
	(RMB in thousands)				
Within 1 year	14,469	23,726	29,016	10,646	14,230
1 year to 2 years	12,142	10,301	6,615	10,178	11,064
2 years to 5 years	21,076	16,036	21,915	33,169	28,097
After 5 years	13,644	8,658	14,832	32,479	33,034
Total	61,331	58,721	72,378	86,472	86,425

Our lease liabilities decreased from RMB61.3 million as of December 31, 2021 to RMB58.7 million as of December 31, 2022, primarily due to the reduction in lease obligations related to existing leases, which outweighed the additional lease obligations incurred from new leases entered into during 2022. Our lease liabilities increased to RMB72.4 million as of December 31, 2023. Our lease liabilities further increased to RMB86.5 million as of June 30, 2024, primarily due to the new lease agreements we entered into during the period.

As of October 31, 2024, our lease liabilities amounted to RMB86.4 million, certain of which were secured by the rental deposits and all of which were unguaranteed.

Contingent Liabilities and Guarantees

As of December 31, 2021, 2022 and 2023, June 30, 2024 and October 31, 2024, the maximum amounts of guarantee issued were nil, RMB8.2 million, RMB27.5 million, RMB20.6 million and RMB13.6 million, respectively. Save as disclosed above, we did not have any other material contingent liabilities, guarantees, or legal, arbitration or administrative proceedings pending or threatened against us that we expect would materially adversely affect our financial position or result of operations.

Indebtedness Statement

Save as disclosed above, as of December 31, 2021, 2022 and 2023, June 30, 2024 and October 31, 2024, we did not have any other loan capital issued and outstanding or agreed to be issued, bank overdrafts, borrowings and other similar indebtedness, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities. Save as disclosed above, our Directors confirm that there has not been any material change in our indebtedness since October 31, 2024 and up to the Latest Practicable Date.

CAPITAL COMMITMENTS

As of December 31, 2021, 2022 and 2023 and June 30, 2024, we had no material capital commitment.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet commitments or arrangements.

MATERIAL RELATED PARTY TRANSACTIONS

Transactions with Related Parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operational decisions. Parties are also considered to be related if they are subjected to common control. Members of our key management and their close family members are also considered as related parties. See Note 27 to the Accountants' Report set out in Appendix I to this Prospectus for further details about our related party transactions during the Track Record Period.

We enter into transactions with our related parties from time to time. During the Track Record Period, we entered into a number of transactions with related parties in relation to sales of products, purchase of materials, lease, borrowings, and conversion of debt to capital. Particularly, Daide Power Machinery, one of our five largest suppliers in both 2021 and 2022, is an affiliate of Daide Longtree, mainly engaging in trading business. To strengthen our bargaining position and secure more favorable procurement terms, we centralized the procurement of materials, including raw materials, electric appliances, and interior and exterior furniture and decorations, through Daide Power Machinery in 2021 and 2022. In 2021, 2022 and 2023 and for the six months ended June 30, 2024, the amount of purchase from Daide Power Machinery was RMB52.1 million, RMB14.7 million, nil and nil, respectively. The purchase amount reduced to nil in 2023, mainly because the centralized procurement arrangement was terminated in 2023.

Our Directors are of the view that each of the related party transactions in Note 27 to the Accountants' Report set out in Appendix I to this Prospectus was conducted on an arm's-length basis. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or make our historical results not reflective of our future performance.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios as of the dates or for the periods indicated:

	As of/For the year ended December 31,			As of/ For the six months ended June 30,	
	2021	2022	2023	2023	2024
				(Unaudited)	
Gross profit margin(1)	16.7%	16.5%	25.1%	23.1%	32.0%
Net profit margin(2)	8.4%	6.6%	10.9%	10.2%	9.6%
Return on equity(3)	93.0%	78.5%	187.2%	N/A	258.9%
Return on total assets(4)	11.2%	12.6%	22.5%	N/A	17.5%
Adjusted net profit margin (non-HKFRS measure)(5)	8.4%	6.6%	10.9%	10.2%	13.2%
Current ratio(6)	1.0	1.1	1.0	N/A	1.0
Quick ratio(7)	0.2	0.4	0.2	N/A	0.3
Debt-to-equity ratio(8)	1.0	0.2	1.2	N/A	3.0

Notes:

(1) Gross profit margin is calculated using gross profit divided by revenue and multiplied by 100%.

(2) Net profit margin is calculated using profit for the year/period divided by revenue and multiplied by 100%.

(3) Return on equity ratio is calculated using profit for the year as a percentage of the average balance of total equity at the beginning and the end of the year and multiplied by 100%. The ratio for the six months ended June 30, 2024 is annualized by dividing the profit for the period by the number of days in the period, multiplying by 365, and then dividing by the average balance of total equity at the beginning and the end of the period, with the result expressed as a percentage. The annualized ratio is solely for the purpose of being comparable to prior years, and may not be indicative of actual results.

(4) Return on total assets ratio is calculated using profit for the year as a percentage of the average balance of total assets at the beginning and the end of the year and multiplied by 100%. The ratio for the six months ended June 30, 2024 is annualized by dividing the profit for the period by the number of days in the period, multiplying by 365, and then dividing by the average balance of total assets at the beginning and the end of the period, with the result expressed as a percentage. The annualized ratio is solely for the purpose of being comparable to prior years, and may not be indicative of actual results.

(5) Adjusted net profit margin (non-HKFRS measure) is calculated using adjusted profit for the year/period (non-HKFRS measure) divided by revenue and multiplied by 100%. For details of the adjusted profit for the year/period (non-HKFRS measure), see "— Non-HKFRS Measures."

(6) Current ratio is calculated using total current assets divided by total current liabilities.

(7) Quick ratio is calculated using total current assets less inventories divided by total current liabilities.

(8) Debt-to-equity ratio is calculated using total debt (being the carrying balance of loans and borrowings) divided by total equity.

Gross profit margin

For the three years ended December 31, 2023 and for the six months ended June 30, 2023 and 2024, our gross profit margin was 16.7%, 16.5%, 25.1%, 23.1% and 32.0%, respectively. See "— Period-to-period Comparison of Results of Operations" for factors affecting our gross profit margin during the respective periods.

Net profit margin

For the three years ended December 31, 2023 and for the six months ended June 30, 2023 and 2024, our net profit margin was 8.4%, 6.6%, 10.9%, 10.2% and 9.6%, respectively. See "— Period-to-period Comparison of Results of Operations" for factors affecting our net profit margin during the respective periods.

Return on equity

Our return on equity was 78.5% in 2022, compared to 93.0% in 2021, primarily due to the net increase in average balance of total equity. In 2022, all the remaining unsecured related party loans were converted into capital to Regent Company, resulting in a substantial increase in our total equity. Our return on equity increased to 187.2% in 2023, primarily due to the significant increase in our profit and a net decrease in average balance of total equity as a result of larger amount of deemed distribution for the year. Our annualized return on equity increased to 258.9% for the six months ended June 30, 2024, primarily due to a larger increase in our annualized profit compared to total equity.

Return on total assets

Our return on total assets remained relatively stable at 11.2% in 2021 and 12.6% in 2022. Our return on total assets increased to 22.5% in 2023, primarily attributable to the significant increase in our profit for the year. Our annualized return on total assets decreased to 17.5% for the six months ended June 30, 2024, primarily due to a larger increase in our total assets compared to profit.

Adjusted net profit margin (Non-HKFRS measure)

For the three years ended December 31, 2023 and for the six months ended June 30, 2023 and 2024, our adjusted net profit margin (non-HKFRS measure) was 8.4%, 6.6%, 10.9%, 10.2% and 13.2%, respectively.

Current ratio

Our current ratio remained relatively stable at 1.0, 1.1, 1.0 and 1.0 as of December 31, 2021, 2022 and 2023 and June 30, 2024, respectively.

Quick ratio

Our quick ratio remained relatively stable at 0.2 as of December 31, 2021, 0.4 as of December 31, 2022, and 0.2 as of December 31, 2023 and 0.3 as of June 30, 2024.

Debt-to-equity ratio

Our debt-to-equity ratio decreased from 1.0 as of December 31, 2021 to 0.2 as of December 31, 2022, primarily because all the remaining unsecured related party loans were converted into capital to Regent Company in 2022. Our debt-to-equity ratio increased from 0.2 as of December 31, 2022 to 1.2 as of December 31, 2023, primarily due to (i) increase in total debt, driven by an increase in secured short-term loans and borrowings, and (ii) decrease in total equity as a result of deemed distribution. Our debt-to-equity ratio increased to 3.0 as of June 30, 2024, primarily due to an increase in total debt, driven by an increase in unsecured short-term related party loans and an increase in secured short-term loans and borrowings, partially offset by an increase in total equity.

TRANSFER PRICING ARRANGEMENT

During the Track Record Period, we conducted our operations primarily through our subsidiaries in the Australia and PRC. We primarily conducted our sales activities through Regent RV, Snowy River, and Leisure Lion, our subsidiaries in Australia. During the Track Record Period, one of our key operating entities in the PRC, Daide Longtree is primarily responsible for manufacturing, assembly and exporting of towable RVs. Regent RV, Snowy River, and Leisure Lion then sells the RVs to our customers through our self-owned stores, JV stores and dealer stores in Australasia.

The OECD, an international organization of international cooperation, promulgated the OECD Transfer Pricing Guidelines, which is generally followed by the relevant tax jurisdictions involved in the intra-Group transactions including the Australia and PRC. According to the OECD Transfer Pricing Guidelines, the intra-Group transactions should be at arm's length basis to avoid distorted taxable income in different jurisdictions.

We have engaged the Transfer Pricing Advisor to conduct transfer pricing review on our cross-border intra-Group transactions during the Track Record Period to ensure compliance with the relevant transfer pricing regulations and to conduct benchmarking studies on the intra-Group transactions during the Track Record Period in accordance with the OECD Transfer Pricing Guideline.

The Transfer Pricing Advisor selects assessment methodology based on the nature and characteristics of the intra-Group transactions. Transactional net margin methodology ("**TNMM**") was selected for manufacturing and exporting activities, and resale price ("**RP**") methodology was selected as a supplementary method for distribution activities. TNMM compares the full-cost mark-up (FCMU) of intra-Group transactions with the same of comparable transactions between independent parties. RP compares the gross margin (GM) of intra-Group transactions with the same of comparable transactions between independent parties. The Transfer Pricing Advisor conducted independent analysis and confirmed that, during the Track Record Period, the weighted average price and profit levels of the intra-Group transactions were fair and fell within or above their respective profit range of arm's length transactions, which complied with the principle of independent transactions. Therefore, the Transfer Pricing Advisor is of the view that our pricing arrangements have been in compliance with the applicable laws, regulations and guidelines, and the risk of incurring material transfer pricing income tax is remote.

Our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, we had not been subject to nor were we aware of any outstanding enquiries, audit, investigation or challenge by any tax authorities in Australian and the PRC in relation to our intra-group transactions and transfer pricing arrangements.

We have been and will continue to closely monitor our transfer pricing arrangement including reviewing the reasonableness of the pricing policy of intra-group transactions from time to time. However, similar to other matters relating to tax, we cannot assure that our transfer pricing arrangement will not be subject to review and possible challenge by any tax authorities in future, though the Directors believe that we have reasonable grounds to defend ourselves against such possible challenge. Please see the section headed "Risk Factors — Risks relating to our business and our industry — We may be subject to risks associated with our transfer pricing arrangement."

MARKET RISKS

We are exposed to various types of financial and market risks, including credit risk, liquidity risk, interest rate risk, and currency risk. Our Directors review and agree on financial management policies and practices for managing each of these risks. See Note 25 to the Accountants' Report set out in Appendix I to this Prospectus for further details.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to us. Our credit risk is primarily attributable to trade receivables. The directors of our Company are of the opinion that our exposure to credit risks arising from cash and FVOCI is limited because the counterparties are banks with good credit standing, for which we consider having low credit risk. We do not provide any guarantees which would expose us to credit risk.

Liquidity risk

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.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Our interest rate risk arises primarily from cash at bank, restricted cash, lease liabilities and loans and borrowings. Our interest-bearing financial instruments at variable rates as of December 31, 2021, 2022 and 2023 and June 30, 2024 are primarily the cash at banks, loans and borrowings and the cash flow interest rate risk arising from the change of market interest rate on these balances is not considered significant.

Currency risk

We are exposed to currency risk primarily through sales and purchases which give rise to receivables, payables and cash balances that are denominated in a foreign currency, i.e., a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily Australian dollars.

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted net tangible assets of our Group is prepared in accordance with paragraph 4.29 of the Listing Rules and is set out below for the purpose to illustrate the effect of the Global Offering on the consolidated net tangible assets attributable to equity shareholders of our Company as of June 30, 2024 as if it had taken place on June 30, 2024.

The unaudited pro forma statement of adjusted net tangible assets has been prepared for illustrative purpose only and because of its hypothetical nature, it may not give a true picture of the financial position of our Group had the Global Offering been completed as of June 30, 2024 or at any future dates.

	Consolidated net tangible assets attributable to the equity shareholders of our Company as of June 30, 2024(1)	Estimated net proceeds from the Global Offering(2)(4)	Unaudited pro forma adjusted net tangible assets attributable to equity shareholders of our Company(3)(5)	Unaudited pro forma adjusted net tangible assets attributable to equity shareholders of our Company per Share	
	RMB'000	RMB'000	RMB'000	RMB(5)	(HK$ equivalent)(4)
Based on an Offer Price of HK$1.24 per Share	32,393	243,240	275,633	0.29	0.31
Based on an Offer Price of HK$1.64 per Share	32,393	328,451	360,844	0.38	0.41

Notes:

(1) The consolidated net tangible assets of our Group attributable to equity shareholders of our Company as of June 30, 2024 is arrived at after deducting the intangible assets of RMB107,000 from the consolidated total equity attributable to the equity shareholders of our Company as of June 30, 2024 of RMB32,500,000, which are extracted from the Accountants' Report set forth in Appendix I to this Prospectus.

(2) The estimated net proceeds from the Global Offering are based on 240,000,000 Shares to be issued at the estimated Offer Prices of HK$1.24 per Share (being the low-end of the Offer Price) and HK$1.64 per Share (being the high-end of the Offer Price), respectively, after deduction of the estimated underwriting fees and other estimated related expenses paid or payable by our Group (excluding listing expenses of RMB15,305,000 which have been charged to profit or loss on or before June 30, 2024), without taking into account of any shares which may be issued upon the exercise of the Over-allotment Option and the options granted under the Pre-IPO Share Option Scheme.

(3) The unaudited pro forma adjusted net tangible assets attributable to equity shareholders of our Company per Share is arrived at after the above adjustment and on the basis that 954,049,200 Shares were in issue immediately following the Capitalization Issue and Global Offering (excluding 5,950,800 shares, representing 826,500 shares adjusted by the Capitalization Issue, held by employee shareholding platform for the Pre-IPO Share Option Scheme) assuming the Global Offering had completed on June 30, 2024 and the Over-allotment Option and the options granted under the Pre-IPO Share Option Scheme are not exercised.

(4) For illustrative purpose, the estimated net proceeds from the Global Offering is converted from the Hong Kong dollar into Renminbi and the unaudited pro forma adjusted net tangible assets attributable to equity shareholders of our Company per Share is converted from the Renminbi into Hong Kong dollar at the exchange rate of HK$1.00 to RMB0.92468, the exchange rate set by PBOC prevailing on the Latest Practicable Date. No representation is made that Renminbi amount have been, could have been or may be converted to Hong Kong dollars, or vice versa, at the rate or at any other rate.

(5) No adjustment has been made to the unaudited pro forma adjusted net tangible assets attributable to equity shareholders of our Company to reflect our any trading results or other transactions entered into subsequent to June 30, 2024.

DIVIDEND POLICY

During the Track Record Period, no dividend has been paid or declared by our Company.

Our Company currently does not have any dividend policy. Our Board of Directors may declare dividends in the future after taking into account our results of operations, financial condition, cash requirements and availability and other factors as it may deem relevant at such time. Any declaration and payment of dividends will be subject to our constitutional documents and applicable laws. Our shareholders at a general meeting must approve any declaration of dividends, which must not exceed the amount recommended by our Board of Directors. In addition, our Directors may from time to time pay such interim dividends as our Board of Directors considers to be justified by our profits and overall financial requirements, or special dividends of such amounts and on such dates as they think appropriate. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our future declaration of dividends may or may not reflect our historical declarations of dividends and will be at the absolute discretion of our Board of Directors.

DISTRIBUTABLE RESERVES

As of June 30, 2024, we did not have any distributable reserves.

LISTING EXPENSES

Listing expenses primarily include professional fees, underwriting commission, and other fees incurred in connection with the Global Offering. We estimate that our listing expenses will be approximately HK$53.0 million, representing approximately 15.3% of the gross proceeds from the Global Offering (assuming an Offer Price of HK$1.44 per Share (being the mid-point of the indicative Offer Price range)), which consist of (i) underwriting-related expenses (including but not limited to commissions and fees) of approximately HK$13.8 million, and (ii) non-underwriting-related expenses of approximately HK$39.2 million, including (a) fees and expenses of legal advisors and accountants of approximately HK$23.5 million, and (b) other fees and expenses of approximately HK$15.7 million. Approximately HK$22.2 million of the listing expenses is directly attributable to the issue of our Shares to the public and is expected to be recognized directly as a deduction from equity upon the Listing, approximately HK$16.8 million has been expensed during the Track Record Period, and the remaining amount of approximately HK$14.0 million of the listing expenses is expected to be expensed prior to the Listing.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

We confirm that, as of the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

NO MATERIAL ADVERSE CHANGE

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, our Directors confirm that, up to the date of this Prospectus, there had been no material adverse change in our financial or operating position or prospects since June 30, 2024, which is the end date of the periods reported on in the Accountants' Report set out in Appendix I to this Prospectus, and there had been no event since June 30, 2024 and up to the date of this Prospectus that would materially affect the information as set out in the Accountants' Report included in Appendix I to this Prospectus.

FUTURE PLANS

As a recreational vehicle enterprise with an extensive presence in Australasia that designs, develops, manufactures and sells bespoke towable RVs, we design and manufacture our RVs with emphasis on comfortability, safety and functionality. We intend to achieve this through our growth strategies. For details, see "Business — Our Strategies."

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK$292.6 million, after deducting underwriting commissions, fees and estimated expenses borne by us in connection with the Global Offering, assuming the Over-allotment Option is not exercised and based on the Offer Price of HK$1.44 per Share (being the mid-point of the indicative Offer Price range of HK$1.24 and HK$1.64).

We currently intend to apply these net proceeds for the following purposes:

- Approximately 63.3%, or HK$185.3 million, will be allocated to construct a new production base and upgrade our existing production facilities. This strategic production expansion is expected to provide us with the infrastructure needed to support our future growth in the long run and to meet the growing demand from overseas customers as we widen our market share in Australasia and make maiden entrance into new markets in Europe and Canada.

  We intend to replicate our success in the Australasian market to these new territories. We will continue to adopt a product strategy focused on customization and quality. We intend to customize our RV designs to meet regional demands in the European and Canadian markets, such as enhanced insulation for colder climates and improved off-road capabilities for diverse terrains.

  We will also ensure our RVs meet local quality and safety standards, implementing rigorous quality control throughout production. Additionally, we intend to invest in research and development to introduce smart features in our RVs, such as intelligent control systems and solar charging, aligning with consumer preference for latest technologies. Consistent with the successful approach we have implemented in the Australasian market, we intend to adopt a pricing strategy that balances competitiveness with profitability for the new markets.

  Building a strong brand presence is another crucial strategy. We intend to invest in enhancing visibility by participating in key RV expos and outdoor exhibitions in these regions and forming strategic partnerships with local tourism boards and campgrounds. We also intend to build a highly responsive customer service system aimed at strengthening customer satisfaction and loyalty, driving positive word-of-mouth and enhancing our brand reputation in the new markets.

Similar to our business model in Australasia, we intend to employ a combination of dealer stores and self-owned stores to effectively harness the sales and marketing resources of our own and our local partners. We also plan to enhance our online presence through a dedicated website, supported by targeted social media campaigns, to attract potential consumers. In addition, we plan to partner with rental companies to increase product visibility.

To maintain our edge to effectively compete in these new markets, we will continuously invest in research and development to keep abreast of the technology trend, such as renewable energy solutions and smart features. We will also evaluate opportunities for collaborating with local manufacturers, suppliers, and sales channels, which could enable us to leverage shared resources and strengths, and we expect to participate in industry associations to enhance our influence and stay informed about industry developments. Furthermore, we will recruit and train talents with market-specific expertise. We also intend to proactively identify and mitigate potential risks, such as foreign currency fluctuations, trade policy changes, and evolving market demand. Leveraging our extensive experience managing cross-border operations in the Australasian market, we believe we are well-prepared to navigate the complexities of these new markets.

It is expected that, with the expansion of our Group's business in terms of caravan models and sales and distribution network, the estimated production amount of RVs would reach approximately 87.5%, 117.0% 175.0% of our current production capacity by 2024, 2025 and 2026, respectively. Therefore, upgrading the current production facilities to satisfy the needs in the short run and constructing a new production base to increase the Group's production capacity in the long run is necessary to cover the expected production capacity needs. In particular, constructing a new self-owned production base would also be an essential step towards enhancing the Group's operational independence by vacating its current production base from Longtree Zhejiang, a subsidiary of the GONOW Group as disclosed in the section headed "Connected transactions".

Upon completion of construction of the new production base and upgrading of our existing production facilities and taking into consideration the expected growth in our business, it is expected that the utilization rate will reach approximately 90%. This increase will not only support current demand but also position us to support our future growth effectively.

(i) approximately 60.0%, or HK$175.5 million, will be used to construct our new production base in Zhejiang, China, including:

   a. approximately 8.3%, or HK$24.4 million, to be used for the purchase of land use rights for our new production base in Zhejiang, with a total site area of more than 100,000 sq.m..

We selected Zhejiang as the location of our new production base because, (i) Zhejiang is a vibrant hub of China's automotive industry, and its pro-business environment and thriving supply chain ecosystems attract top automotive companies to build their operation and manufacturing facilities, which may bring us significant advantages in production management and research and development; (ii) its unique geographical location and well-developed port facilities in the region provide us with convenient access to ports for shipping our RVs; and (iii) its proximity to our current facilities in China enables us to better coordinate the day-to-day operations of our various sites.

b. approximately 23.3%, or HK$68.2 million, to be used in the construction of factories of the production base;

c. approximately 15.0%, or HK$43.9 million, to be used for the construction of associated warehouses, office buildings and dormitories for employees of the production base;

d. approximately 13.3%, or HK$39.0 million, to be used to purchase manufacturing equipment and systems for the operation of our new production facility.

We plan to deploy five production lines in our new facility, including two intelligent woodwork production lines and three automated assembly lines.

Assuming we will be able to locate a suitable place and obtain the land use right in the second quarter of 2025, the new production base is scheduled for completion in the first half of 2026.

(ii) approximately 3.3%, or HK$9.8 million, will be used to continually upgrade our existing production facilities by rolling out ongoing equipment automation and upgrades, ensuring that our facilities remain at the forefront of technological advancement. We intend to upgrade and automate our existing workstations, such as our welding, furniture, painting and lamination workstations. We also intend to upgrade our warehousing system at our warehouse through acquiring intelligent equipment. Through investments in smart production system, we can achieve a more efficient, standardized and cost-effective production process.

There will be sufficient market demand to support our expansion plan. Australasia is the third largest RV market with 895.4 thousand RVs in use in 2023, according to Frost & Sullivan. It is expected that the total RV in use in Australasia will reach 1,120.1 thousand units in 2028, representing a CAGR of 4.6% from 2024, outpacing the growth in North America and Europe. See "Industry Overview — Global and Australasia RV Market Overview — Australasia is the Third-largest and One of the Fastest-growing RV Markets Globally" for more details. The market's growth trajectory underscores strong consumer demand for RVs, supported by trends towards leisure travel, adventure tourism, and a preference for outdoor lifestyles. The Group intends to continue penetrating a variety of regions across Australasia and tapping into a more diverse customer base to fuel further growth.

According to the 2023 sales volume data, the top five participants collectively hold approximately 55.4% of the market share. Company A, the largest market player, had a substantial market share of 29.2%. Following Company A, we ranked as the second-largest RV company in Australasia, selling 2.7 thousand units and capturing about 7.8% of the market share. Each of the other three top players held market shares ranging from 4% to 5%. See "Industry Overview — Competitive Landscape of Australasia RV Market" for more details. While the Australasia RV market is competitive and exhibits a relatively concentrated structure, the market itself is substantial and growing and there remains ample opportunity for us to capture additional market share and drive growth.

Furthermore, building upon our success in the Australasian market, we plan to eventually roll out our RV collections in the European and Canadian markets. North America, Europe, and Australasia are the top three RV markets globally, RV in use in the three markets collectively account for approximately 97% of the global total volume in 2023.

According to Frost & Sullivan, North America has been the largest RV market globally and is expected to maintain this position, with a projected CAGR of 2.8% from 2024 to 2028, reaching an estimated 16,384.3 thousand RVs in use by 2028. Similarly, Europe ranks as the second largest RV market globally and is anticipated to continue growing at a CAGR of 1.9% from 2024 to 2028, reaching an estimated 6,881.5 thousand RVs in use by 2028. Both markets demonstrate significant and growing demand for RVs. See "Industry Overview — Global and Australasia RV Market Overview — Australasia is the Third-largest and One of the Fastest-growing RV Markets Globally" for more details.

As confirmed by Frost & Sullivan, no import duty was applicable to RVs of a Chinese origin exported into Europe or Canada as of the Latest Practicable Date. Where necessary, we will engage independent tax advisors and/or tariff advisors in the future to ensure compliance with tax and custom policies in countries where we operate or plan to expand our business. For our potential tariff exposure in light of our expansion plan in Europe and Canada, see "Risk Factors — Risks relating to our Business and our Industry — We may be subject to tariffs in countries where we operate or plan to expand our business."

- Approximately 16.7%, or HK$48.7 million, will be used to scale up our business operations through strengthening our sales and distribution network, in order to further expand our customer base and enhance our customer stickiness, and further amplify our market share in the RV industry in Australasia, including:

  (i) approximately 3.3%, or HK$9.7 million, will be used to establish new self-owned and/or JV stores, thereby expanding our business footprint and obtaining wider market coverage. We plan to use such proceeds to cover capital expenditures including renovation, purchase and installation of facilities and equipment, as well as to cover rental expenses and other ancillary expenses. Our average investment payback period of our existing self-owned and JV stores was approximately 18 months. Our targeted average investment payback period of a newly established self-owned and/or JV store is approximately 18 to 24 months with reference to the average investment payback period in the automotive industry in similar areas according to Frost & Sullivan. We plan to open approximately two new self-owned and/or JV stores in the next three years. As of the Latest Practicable Date, we had commenced preparatory work according to our expansion plan, including market research for the new geographical locations that we intend to enter, exploration of potential new sites for our planned new self-owned stores, and search for new staff members for the stores.

(ii) approximately 13.4%, or HK$39.0 million, will be used to pursue the acquisition of third-party offline stores (which may not necessarily be those within our existing dealership network) if suitable opportunities emerge. We plan to acquire approximately four third-party offline stores. We plan to focus on those stores in new locations in Australasia which are not already covered by our current offline network. According to Frost & Sullivan, as of the Latest Practicable Date, there were more than 100 stores operating in the RV industry. Where we acquire any third-party offline store and transfer it into self-owned store or JV Store, we will look for cooperation with an additional third-party offline store to ensure that the total number of third-party offline stores remain steadily the same. As of the Latest Practicable Date, we had not identified suitable potential targets for acquisitions.

When looking for new third-party offline stores, we plan to target those in either New Zealand or in Queensland, New South Wales, Victoria or Northern Territory of Australia. In addition to the location, we would take into consideration factors of the store including (a) the traffic condition and transportation density in the store's locality, (b) size and operational track record, (c) overall presentation and products being sold, (d) shareholding and management structure, and (e) general reputation.

In addition, to prevent potential cannibalization, we will observe the following criteria below in managing our sales and distribution network in Australasia:

a. No store shall be located within a driving distance of two hours between each other;

b. We will regulate the maximum number of dealer stores in a state or territory, which ranges from one to seven. The ceiling for each present region will be determined and reviewed regularly with reference to various factors such as population, average household incomes and unemployment rate within such region.

We believe that by opening these new stores, we are poised to capture additional market share and address the increasing market demand. See the preceding use of proceeds for a discussion on the sufficient market demand supporting our expansion plan.

- Approximately 10.0%, or HK$29.3 million, will be used for our continued product research and development efforts. To capitalize on the opportunities in the global market (excluding the PRC), we will continue to upgrade and rejuvenize our existing product collection by incorporating interior and exterior upgrades to our RVs, as well as to introduce new models, such as RVs smaller in size, to attract new customers with different customization needs, generate repurchase from existing customers and expand our product collection. Steering the evolution of the RV industry, we will expand our pipeline of new towable ERV models. As (a) we will develop more models for our hybrid off-road towable RVs and ERVs, and (b) we intend to promote our towable RVs and ERVs in new geographical locations where the customers tend to have preferences in style and technical performance characteristics of the RVs that are different from those in Australasia, we expect an increase in research and development expenses compared to that during the Track Record Period due to the expected efforts in new models development as well as market research for the new geographical locations. In particular, we plan to recruit more research and development professionals with appropriate qualifications, who have experience in RV research and development, to facilitate the construction, design and upgrading of our RV and towable ERV models. We plan to implement the following hiring plans with a total annual salary amounting to approximately HK$3.4 million to HK$3.7 million.

  a. one experienced interior designer in Australia equipped with degree in Interior Design or related field and proficiency in design software, who will be responsible for conceptualizing and executing interior design strategies tailored to our caravan models, with an estimated annual salary of AUD90 thousand;

  b. one experienced structure engineer in the PRC equipped with degree in Mechanical Engineering, Structural Integration or related field, who will be responsible for structural design for our caravan models, with an estimated annual salary of RMB200 thousand to RMB300 thousand;

c. one experienced interior designer in the PRC equipped with degree in Interior Design, Home Design or related field, who will be responsible for design for interior layout and features of our caravan models, with an estimated annual salary of RMB200 thousand to RMB300 thousand;

d. one experienced mechanical engineer in Australia equipped with degree in Mechanical Engineering or related field, responsible for designing and developing mechanical systems and components specifically tailored for caravan applications, with an estimated annual salary of AUD110 thousand;

e. two experienced industry designers in Australia equipped with degree in Industrial Design, Product Design, or related field, responsible for creating innovative and esthetically pleasing designs for caravan exteriors and interiors, with an estimated average annual salary of AUD90 thousand; and

f. two experienced product managers equipped with degree in Business Administration, Marketing, Engineering, or related field, responsible for overseeing the entire lifecycle of caravan products, from concept development to market launch and ongoing product management, comprising one in Australia with an estimated annual salary of AUD125 thousand and one in the PRC with an estimated annual salary of RMB300 thousand to RMB400 thousand.

We also intend to purchase more industrial design software and requisite raw materials to support our research and development efforts.

As part of our strategy of developing new towable ERV models, in December 2024, 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, and the research and development of which is expected to commence in 2025. With such strategic collaboration, we will be able to leverage Guoxuan's expertise and marketing resources to promote our new towable ERV models in the future.

- Approximately 10.0%, or HK$29.3 million, will be allocated to our working capital and general corporate purposes.

The following table sets forth the expected allocation of the use of net proceeds for the for the three years after the Listing. This table is based on the assumptions of future events which by their nature are subject to certain uncertainties, including but not limited to that there will be no material changes to the industry in which we operate and the conditions of the market in which we sell products or provide services, and the risk factors set forth in the section headed "Risk Factors" of this Prospectus. Therefore, there is no assurance that our business plans will materialize in accordance with the estimated time frame and that our future plans will be accomplished at all.

	Expected allocation of the use of net proceeds			
	First year after the Listing	Second year after the Listing	Third year after the Listing	Total
	(HK$ in million)			
Construction of a new production base and upgrade of existing production facilities	**68.2**	**117.0**	**0.0**	**185.3**
— Construction of a new production base in Zhejiang, China	68.2	107.3	0.0	175.5
— Upgrade of existing production facilities	0.0	9.8	0.0	9.8
Strengthening of sales and distribution network	**3.3**	**22.7**	**22.7**	**48.7**
— Establishment of new self-owned and/or JV stores	3.3	3.2	3.2	9.7
— Potential acquisition of third-party offline stores	0.0	19.5	19.5	39.0
Product research and development	**6.3**	**10.0**	**12.9**	**29.3**
Working capital and general corporate purposes	**9.8**	**9.8**	**9.8**	**29.3**

If the Offer Price is set at the high-end or the low-end of the indicative Offer Price range, being HK$1.64 or HK$1.24 per Offer Share, respectively, the net proceeds to us from the Global Offering (assuming that the Over-allotment Option is not exercised) will respectively increase or decrease by approximately HK$46.1 million. If the Over-allotment Option is exercised in full, we estimate that we will receive total net proceeds of approximately HK$289.4 million at the low-end of the indicative Offer Price range of HK$1.24 per Offer Share and HK$395.3 million at the high-end of the indicative Offer Price range of HK$1.64 per Offer Share, after deducting the estimated underwriting fees and expenses payable by us.

If any part of our development plan does not proceed as planned for reasons such as changes in government policies that would render the development of any of our projects not viable, or the occurrence of force majeure events, we will carefully evaluate the situation and may reallocate the net proceeds from the Global Offering. We will make an appropriate announcement if there is any change to the above proposed use of proceeds or if any amount of the proceeds will be used for general corporate purpose.

To the extent that the net proceeds of the Global Offering are not immediately used for the purposes described above and to the extent permitted by the relevant laws and regulations, we will only deposit the net IPO proceeds in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions).

HONG KONG UNDERWRITERS

Huatai Financial Holdings (Hong Kong) Limited
CLSA Limited
CMB International Capital Limited
BOCI Asia Limited
Shenwan Hongyuan Securities (H.K.) Limited
First Shanghai Securities Limited
Fosun International Securities Limited
I Win Securities Limited
Livermore Holdings Limited
TradeGo Markets Limited
Wanhai Securities (HK) Limited
Winbull Securities International (Hong Kong) Limited

UNDERWRITING

This Prospectus is published solely in connection with the Hong Kong Public Offering. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters on a conditional basis on the terms and conditions set out in this Prospectus and the Hong Kong Underwriting Agreement. The International Offering is expected to be fully underwritten by the International Underwriters. If, for any reason, the Offer Price is not agreed upon between our Company and the Overall Coordinators (on behalf of the Underwriters), the Global Offering will not proceed and will lapse.

The Global Offering comprises the Hong Kong Public Offering of initially 24,000,000 Hong Kong Offer Shares and the International Offering of initially 216,000,000 International Offer Shares, subject, in each case, to reallocation on the basis as described in the section headed "Structure of the Global Offering" in this Prospectus as well as to the Over-allotment Option in the case of the International Offering.

UNDERWRITING ARRANGEMENTS AND EXPENSES

The Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, we are offering the Hong Kong Offer Shares for subscription by the public in Hong Kong in accordance with the terms and conditions of this Prospectus.

Subject to:

(i) the Listing Committee granting approval for the listing of, and permission to deal in, the Shares to be offered as mentioned in this Prospectus pursuant to the Global Offering, and

(ii) certain other conditions set out in the Hong Kong Underwriting Agreement (including but not limited to the Offer Price being agreed upon among us and the Overall Coordinators (for itself and on behalf of the Underwriters)),

the Hong Kong Underwriters have agreed severally and not jointly to subscribe or procure subscribers for their respective applicable proportions of the Hong Kong Offer Shares now being offered, which are not taken up under the Hong Kong Public Offering, on the terms and conditions of this Prospectus and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional upon and subject to, amongst others, the execution and delivery of the International Underwriting Agreement and the obligations of the International Underwriters thereunder having become unconditional and not having been terminated in accordance with its terms.

Grounds for Termination

The Sole Sponsor and the Overall Coordinators (for themselves on behalf of the Hong Kong Underwriters) shall, in their sole and absolute discretion, be entitled by notice (in writing) to the Company to terminate the Hong Kong Underwriting Agreement with immediate effect if prior to 8:00 a.m. on the Listing Date:

(1) there develops, occurs, exists or comes into force:

(i) any event or circumstance in the nature of force majeure (including, without limitation, any acts of government, declaration of a regional, national or international emergency or war, calamity, crisis, epidemic, pandemic, outbreak or escalations of infectious disease or its escalation, mutation or aggravation (including, without limitation, COVID-19 and Severe Acute Respiratory Syndrome (SARS), swine or avian flu, H5N1, H1N1, H1N7, H7N9, Ebola virus, Middle East respiratory syndrome (MERS) and such related/mutated forms, but excluding such epidemic, pandemic and infectious disease subsisting as of the date of this Agreement which have not materially escalated thereafter), accidents or prolonged interruption or delay in transportation, economic sanctions, strikes, labor disputes, other industrial actions, lock-outs, fire, explosion, flooding, earthquake, tsunami, volcanic eruption, civil commotion, riots, severe transport disruption, paralysis in government operation, public disorder, acts of war, outbreak or escalation of hostilities (whether or not war is declared), acts of God or acts of terrorism (whether or not responsibility has been claimed)), economic sanctions, paralysis in government operations, interruptions or delay in transportation in or affecting Hong Kong, the PRC, the United States, the United Kingdom, the European Union (or any member thereof) or any other jurisdictions relevant to any member of our Group or the Global Offering (collectively, the "**Relevant Jurisdictions**"); or

(ii) any change, or any development involving a prospective change (whether or not permanent), or any event or circumstance likely to result in any change or development involving a prospective change in local, national, regional or international financial, economic, political, military, industrial, legal, fiscal, regulatory, currency, credit or market conditions, equity securities or exchange control or any monetary or trading settlement system or other financial markets (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, the interbank markets and credit markets) in or affecting any of the Relevant Jurisdictions; or

(iii) any moratorium, suspension or restriction (including, without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) in or on trading in securities generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market or the London Stock Exchange; or

(iv) any general moratorium on commercial banking activities in Hong Kong (imposed by the Financial Secretary or the Hong Kong Monetary Authority or other competent authority), the PRC, New York (imposed at the U.S. Federal or New York State level or by any other competent authority), London, or any other Relevant Jurisdictions (declared by the relevant authorities) or any disruption in commercial banking or foreign exchange trading or clearance services, procedures or matters in or affecting any of the Relevant Jurisdictions; or

(v) any event, act or omission which gives or is likely to give rise to any liability of any of the indemnifying parties pursuant to the Hong Kong Underwriting Agreement; or

(vi) an authority or a political body or organization in any Relevant Jurisdiction commencing any investigation or other action, or announcing an intention to investigate or take other action, against any executive Director; or

(vii) any new laws, or any change or development involving a prospective change or any event or circumstance likely to result in a change or a development involving a prospective change in (or in the interpretation or application by any court or other competent authority of) existing laws, in each case, in or affecting any of the Relevant Jurisdictions; or

(viii) the imposition of sanctions, in whatever form, directly or indirectly, by, or for, any of the Relevant Jurisdictions or any other jurisdiction relevant to any member of the Group; or

(ix) any valid demand by any creditor for repayment or payment of any indebtedness of any member of the Group or in respect of which any member of the Group is liable prior to its stated maturity; or

(x) a change or development involving a prospective change in or affecting taxation or exchange control, currency exchange rates or foreign investment regulations (including, without limitation, a material devaluation of the Hong Kong dollar or RMB against any foreign currencies, or the implementation of any exchange control, in any of the Relevant Jurisdictions; or

(xi) other than with the prior written consent of the Overall Coordinators, the issue or requirement to issue by the Company of a supplement or amendment to the Hong Kong Prospectus, the CSRC Filings (as defined in the Hong Kong Underwriting Agreement) or other documents in connection with the offer and sale of the Offer Shares pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance or the Listing Rules or the CSRC Rules (as defined in the Hong Kong Underwriting Agreement) or upon any requirement or request of the Stock Exchange, the SFC and/or the CSRC; or

(xii) any litigation, dispute, legal action or claim or regulatory or administrative investigation or action being threatened or instigated or announced against any member of the Group, any Director or any Controlling Shareholder; or

(xiii) a Director or a member of the Group's senior management as named in or the Prospectus being charged with an indictable offense or prohibited by operation of Law or otherwise disqualified from taking part in the management or taking directorship of a company; or

(xiv) a contravention by any member of our Group or any Director of the Listing Rules or any applicable laws; or

(xv) a prohibition by an authority on the Company for whatever reason from offering, allotting, issuing or selling any of the Shares pursuant to the terms of the Global Offering; or

(xvi) any change or development or event involving a prospective change, or a materialization of, any of the risks set out in the section headed "Risk Factors" in this Prospectus; or

(xvii) non-compliance of this Prospectus (or any other documents used in connection with the contemplated offer and sale of the Shares), the CSRC filings or any aspect of the Global Offering with the Listing Rules, the CSRC rules or any other applicable laws; or

(xviii) there is any order or petition for the winding-up of any member of the Group or any composition or arrangement made by any member of the Group with its creditors or a scheme of arrangement entered into by any member of the Group or any resolution for the winding-up of any member of the Group or the appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of any member of the Group or anything analogous thereto occurring in respect of any member of the Group; or

(xix) except with the prior written consent of the Overall Coordinators, the issue or requirement to issue by our Company of any supplement or amendment to this Prospectus (or to any other documents used in connection with the contemplated offer and sale of the Shares) pursuant to the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance or the Listing Rules or any requirement or request of the Stock Exchange and/or the SFC; or

(xx) a portion of the orders placed or confirmed in the bookbuilding process, or of the investment commitments made by any cornerstone investors under agreements signed with such cornerstone investors, have been withdrawn, terminated or cancelled,

which, individually or in the aggregate, in the sole and absolute opinion of the Overall Coordinators and the Sole Sponsor:

(a) has or will have or may have a material adverse effect on the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profits, losses, results of operations, position or condition (financial or otherwise), or performance of our Group taken as a whole; or

(b) has or will have or may have a material adverse effect on the success of the Global Offering or the level of applications under the Hong Kong Public Offering or the level of interest under the International Offering; or

(c) makes or will make or may make it inadvisable or inexpedient or impracticable for the Global Offering to proceed or to market the Global Offering or the delivery or distribution of the Offer Shares on the terms and in the manner contemplated by this Prospectus or any other documents in connection with the offering and sale of the Offer Shares; or

(d) has or will have the effect of making any part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or preventing or delaying the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or

(2) there has come to the notice of the Overall Coordinators and the Sole Sponsor:

(a) that any statement contained in any of the offering documents, the formal notice, the operative documents, the preliminary offering circular, the post hearing information pack of the Company and/or in any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of the Company in connection with the Hong Kong Public Offering (collectively, the "**Offer Related Documents**") (including any supplement or amendment thereto) was, when it was issued, or has become, untrue, incorrect, inaccurate, incomplete or misleading or deceptive in any material respect, or that any forecast, estimate, expression of opinion, intention or expectation contained in any of the Offer Related Documents (including any supplement or amendment thereto) is not fair and honest and based on reasonable assumptions; or

(b) any of the CSRC Filings relating to or in connection with the Global Offering, or any amendments or supplements thereto (in each case, whether or not approved by the Sole Sponsor, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters and the CMIs, or any of them) containing any untrue, incorrect or inaccurate or alleged untrue, incorrect incomplete in any material respects or misleading or deceptive, or that any estimate, forecast, expression of opinion, intention or expectation contained in any of such documents is not fair and honest and based on reasonable grounds or reasonable assumptions; or

(c) that any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this Prospectus, constitute a material omission from or material misstatement in any of the Offer Related Documents (including any supplement or amendment thereto) and the CSRC Filings; or

(d) any material breach of any of the obligations imposed upon any party to the Hong Kong Underwriting Agreement or the International Underwriting Agreement (other than upon any of the Hong Kong Underwriters or the International Underwriters); or

(e) any material adverse change as defined in the Hong Kong Underwriting Agreement; or

(f) any breach of, or any event or circumstance rendering untrue or incorrect, incomplete or misleading in any material respect, any of the warranties in the Hong Kong Underwriting Agreement; or

(g) that approval by the Listing Committee of the Stock Exchange of the listing of, and permission to deal in, the Shares to be issued or sold (including any additional Shares that may be issued or sold pursuant to the exercise of the Over-Allotment Option) under the Global Offering is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld; or

(h) the Company withdraws any of the offering documents or the Global Offering; or

(i) any expert (other than the Sole Sponsor) specified in this Prospectus, whose consent is required for the issue of the prospectus with the inclusion of its reports, letters or opinions and references to its name included in the form and context in which it respectively appears, has withdrawn its consent to being named in this Prospectus or to the issue of any other documents issued or used in connection with the Global Offering; or

(j) the chairman, any other Director, chief executive officer or the chief financial officer is vacating his or her office; or

(k) any Director or member of senior management of the Company is being charged with an indictable offence or is prohibited by operation of law or otherwise disqualified from taking part in the management of a company.

Undertaking to the Hong Kong Stock Exchange pursuant to the Listing Rules

Undertaking by our Company

Pursuant to Rule 10.08 of the Listing Rules, our Company has undertaken to the Stock Exchange that no further Shares or securities convertible into our Company's equity securities (whether or not of a class already issued) may be issued by our Company or form the subject of any agreement to such an issue by our Company within six months from the Listing Date (whether or not such issue of Shares or our Company's securities will be completed within six months from the Listing Date), except for Shares issued or to be issued pursuant to the Global Offering or any of the circumstances provided under Rule 10.08 of the Listing Rules.

Undertakings by the Controlling Shareholders

Pursuant to Rule 10.07 of the Listing Rules, each of the Controlling Shareholders has undertaken to the Stock Exchange and the Company that, except pursuant to any lending of Shares pursuant to the Stock Borrowing Agreement, it will not and will procure that the relevant registered holder(s) will not without the prior written consent of the Stock Exchange or unless otherwise in compliance with the applicable requirement of the Listing Rules:

(1) in the period commencing on the date of this Prospectus and ending on the date which is six months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares in respect of which he/she/it is shown by this Prospectus to be the beneficial owner(s); or

(2) in the period of six months commencing on the date on which the period referred to (1) above expires, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any such Shares referred to in (1) above if, immediately following such disposal, or upon the exercise or enforcement of such options, rights, interests or encumbrances, he/she/it would cease to be a Controlling Shareholder.

Pursuant to Note 3 to Rule 10.07(2) of the Listing Rules, each of the Controlling Shareholders has undertaken to the Stock Exchange and the Company that, within the period commencing on the date by reference to which disclosure of his/her/its holding of Shares is made in this Prospectus and ending on the date which is 12 months from the Listing Date, he/she/it will and will procure that the relevant registered holder(s) will: (1) when he/she/it pledges or charges any Shares beneficially owned by him/her/it in favor of an authorized institution (as defined in the Banking Ordinance) pursuant to Note 2 to Rule 10.07(2) of the Listing Rules, immediately inform the Company of such pledge or charge together with the number of Shares so pledged or charged; and (2) when he/she/it receives indications, either verbal or written, from the pledgee or chargee of any Shares that any of the pledged or charged Shares will be disposed of, immediately inform the Company of such indications.

Undertakings pursuant to the Hong Kong Underwriting Agreement

(A) Undertaking by our Company

Pursuant to the Hong Kong Underwriting Agreement, we have undertaken to each of the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters that during the period commencing on the date of the Hong Kong Underwriting Agreement and ending on and including, the date that is six months after the Listing Date (the "**First Six-month Period**"), except for the offer, allotment and issue of the Offer Shares pursuant to the Global Offering (including pursuant to the exercise of the Over-allotment Option), we will not without the prior written consent of the Sole Sponsor and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

(a) allot, issue, sell, accept subscription for, offer to allot, issue, repurchase or sell, contract or agree to allot, issue or sell, mortgage, charge, pledge, hypothecate, hedge, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract to sell, or otherwise transfer or dispose of or create a mortgage, charge, pledge, lien or other security interest or any option, restriction, right of first refusal, right of pre-emption or other third party claim, right, interest or preference or any other encumbrance of any kind (the "**Encumbrance**") over, or contract or agree to transfer or dispose of or create an Encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or other equity securities of our Company, as applicable, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to subscribe or purchase, any Shares or any equity securities of our Company), or deposit any Shares or other securities of our Company, as applicable, with a depositary in connection with the issue of depositary receipts; or

(b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of subscription or ownership of any Shares or other securities of our Company, or any interest in any of the foregoing (including, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or other securities of our Company, as applicable, or any interest in any of the foregoing); or

(c) enter into any transaction with the same economic effect as any transaction specified in paragraph (a) or (b) above; or

(d) offer to or agree to or announce any intention to effect any transaction specified in paragraphs (a), (b) or (c) above,

in each case, whether any of the transactions specified in paragraphs (a), (b) or (c) above is to be settled by delivery of Shares or other securities of our Company or Shares, or in cash or otherwise (whether or not the issue of such Shares or other shares or securities will be completed within the First Six-month Period).

In the event that, at any time during the period of six months immediately following the expiry of the First Six-month Period (the "**Second Six-month Period**"), we enter into any of the transactions specified in paragraph (a), (b) or (c) above or offer to or agree to or announce any intention to effect any such transaction, we have undertaken to take all reasonable steps to ensure that it will not create a disorderly or false market in the securities of our Company.

(B) Undertaking by Mr. Miao, Snowy Limited, M.X.Z Holdings

Each of Mr. Miao, Snowy Limited, M.X.Z Holdings has undertaken to each of our Company, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters that, except as pursuant to the Global Offering without the prior written consent of the Sole Sponsor and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

(a) he/she/it will not, at any time during the First Six-month Period,

(i) sell, offer to sell, contract or agree to sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant or purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an Encumbrance over, or agree to transfer or dispose of or create an Encumbrance over, either directly or indirectly, conditionally or unconditionally, any Share or other securities of our Company or any interest therein (including, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares (the "**Locked-up Securities**"), or deposit any Shares or other securities of our Company with a depositary in connection with the issue of depositary receipts; or

(ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Locked-up Securities; or

(iii) enter into any transaction with the same economic effect as any transaction described in subparagraphs (i) or (ii) above; or

(iv) offer to or agree to or announce any intention to effect any transaction specified in subparagraphs (i), (ii) or (iii) above,

in each case, whether any of the transaction described in subparagraphs (i), (ii) or (iii) above is to be settled by delivery of Shares or other securities of our Company or in cash or otherwise (whether or not the settlement or delivery of such Shares or other securities will be completed within the First Six-month Period or the Second Six-Month Period); and

(b) until the expiry of the Second Six-month Period, he/she/it will comply with the lock-up requirement under the PRC law and in the event that he/she/it enters into any of the transactions specified in subparagraphs (i), (ii) or (iii) above or offer to or agrees to announces any intention to effect any such transaction, he/she/it will take all reasonable steps to ensure that he/she/it will not create a disorderly or false market in the securities of our Company.

Indemnity

We, Mr. Miao, Snowy Limited and M.X.Z Holdings have agreed to indemnify the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters for certain losses which they may suffer, including losses arising from the performance of their obligations under the Hong Kong Underwriting Agreement and any breach by our Company of the Hong Kong Underwriting Agreement.

Hong Kong Underwriters' Interests in our Company

Except for its obligations under the Hong Kong Underwriting Agreement and save as disclosed in this Prospectus, none of the Hong Kong Underwriters has any shareholding interest in our Company or any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for securities in our Company.

Following the completion of the Global Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of the Shares as a result of fulfilling their obligations under the Hong Kong Underwriting Agreement.

Restrictions on the Offer Shares

No action has been taken to permit a public offering of the Offer Shares, other than in Hong Kong, or the distribution of this Prospectus in any jurisdiction other than Hong Kong. Accordingly, this Prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation.

The International Offering

International Underwriting Agreement

In connection with the International Offering, it is expected that we will enter into the International Underwriting Agreement with, among others, the International Underwriters. Under the International Underwriting Agreement, subject to the conditions set out therein, it is expected that the International Underwriters would, severally and not jointly, agree to procure purchasers for, or to purchase, their respective proportions of the International Offer Shares being offered pursuant to the International Offering.

It is expected that the International Underwriting Agreement may be terminated on similar grounds as the Hong Kong Underwriting Agreement. Potential investors are reminded that in the event that the International Underwriting Agreement is not entered into, the Global Offering will not proceed.

Over-allotment Option

We expect to grant to the International Underwriters, exercisable in whole or in part by the Overall Coordinators at their sole and absolute discretion (on behalf of the International Underwriters), the Over-allotment Option, which will be exercisable from the Listing Date until 30 days after the last day for the lodging of applications under the Hong Kong Public Offering (the last day for the exercise of the Over-allotment Option being Friday, February 7, 2025), to require our Company to allot and issue up to an aggregate of 36,000,000 Shares, representing no more than 15% of the initial Offer Shares, at the Offer Price under the International Offering, to cover over-allocations in the International Offering, if any.

Commissions and Expenses

The Underwriters and the Capital Market Intermediaries will receive an underwriting commission equal to 3% of the aggregate Offer Price of all the Offer Shares (the "**Fixed Underwriting Commissions**"). Our Company may, at our sole and absolute discretion, pay to one or more Underwriters or Capital Market Intermediaries an incentive fee up to but not exceeding 1% of the Offer Price of all the Offer Shares. As of the date of this prospectus, the allocation of a portion of the Fixed Underwriting Commissions remains subject to the Company's discretion. Accordingly, the unallocated portion of the Fixed Underwriting Commissions will be regarded as the discretionary fees for the purpose of the Listing Rules. The ratio of the fixed fees and discretionary fees (as classified under and for the purpose of Rule 3A.34 of the Listing Rules) payable by the Company to all syndicate members (both before and after the exercise of the Over-allotment Option, if any) is expected to be approximately 68.25: 31.75, assuming the discretionary fees will be paid in full. For unsubscribed Hong Kong Offer Shares reallocated to the International Offering, we will pay an underwriting commission at the rate applicable to the International Offering and such commission will be paid to the relevant International Underwriters and not the Hong Kong Underwriters.

Assuming the Over-allotment Option is not exercised, the aggregate commissions and incentive fees (if any), together with the Stock Exchange listing fees, SFC transaction levy and the Stock Exchange trading fee, AFRC transaction levy, legal and other professional fees and printing and all other expenses relating to the Global Offering, which are estimated to amount in aggregate to approximately HK$53.0 million (assuming an Offer Price of HK$1.44 per Offer Share (being the mid-point of the indicative Offer Price range stated in this Prospectus)), are payable and borne by our Company.

INDEPENDENCE OF THE SOLE SPONSOR

The Sole Sponsor satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

ACTIVITIES BY SYNDICATE MEMBERS

The underwriters of the Hong Kong Public Offering and the International Offering (together, the "**Syndicate Members**") and their affiliates may each individually undertake a variety of activities (as further described below) which do not form part of the underwriting or stabilizing process.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, fund management, trading, hedging, investing and other activities for their own account and for the account of others. Such activities may involve or relate to assets, securities and/or instruments of our Company and/or persons and entities with relationship with the Company and may also include swaps and other financial instruments entered into for hedging purposes in connection with our Group's loans and other debt.

In relation to the Shares, those activities could include acting as agent for buyers and sellers of the Shares, entering into transactions with those buyers and sellers in a principal capacity, including as a lender to initial purchasers of the Shares (which financing may be secured by the Shares) in the Global Offering, proprietary trading in the Shares, and entering into over-the-counter or listed derivative transactions or listed and unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have as their underlying assets, assets including the Shares. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of the Shares. All such activity could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the Shares, in baskets of securities or indices including the Shares, in units of funds that may purchase the Shares, or in derivatives related to any of the foregoing.

In relation to issues by Syndicate Members or their affiliates of any listed securities having the Shares as their underlying securities, whether on the Stock Exchange or on any other stock exchange, the relevant rules of the exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the Shares in most cases.

All such activities may occur both during and after the end of the stabilizing period described in the section headed "Structure of the Global Offering" in this Prospectus. Such activities may affect the market price or value of the Shares, the liquidity or trading volume in the Shares and the volatility of the price of the Shares, and the extent to which this occurs from day to day cannot be estimated.

It should be noted that when engaging in any of these activities, the Syndicate Members will be subject to certain restrictions, including the following:

(a) the Syndicate Members must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and

(b) the Syndicate Members must comply with all applicable laws and regulations, including the market misconduct provisions of the SFO, including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

Certain of the Syndicate Members or their respective affiliates have provided from time to time, and expect to provide in the future, investment banking, derivative and other services to us, our affiliates or our shareholders for which such Syndicate Members or their respective affiliates have received or will receive customary fees and commissions.

THE GLOBAL OFFERING

This Prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. The Global Offering consists of (subject to reallocation and the Over-allotment Option):

(i) the Hong Kong Public Offering of 24,000,000 Shares (subject to reallocation) in Hong Kong as described below under the sub-section headed "The Hong Kong Public Offering" below; and

(ii) the International Offering of 216,000,000 Shares (subject to reallocation and the Over-allotment Option) outside the United States in reliance on Regulation S.

You may apply for the Hong Kong Offer Shares or if qualified to do so, indicate an interest in the International Offer Shares, but you may not apply in both.

The Offer Shares will represent 25% of the enlarged issued share capital of our Company immediately after completion of the Global Offering without taking into account the exercise of the Over-allotment Option. If the Over-allotment Option is exercised in full, the additional International Offer Shares will represent approximately 3.61% of the enlarged issued share capital of our Company immediately after completion of the Global Offering and the exercise of the Over-allotment Option as set out in "— The International Offering — Over-allotment Option" in this section below.

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as institutional and professional investors and other investors in Hong Kong. The International Offering will involve selective marketing of the International Offer Shares to institutional and professional investors and other investors expected to have a sizeable demand for the International Offer Shares in Hong Kong and other jurisdictions outside the United States in reliance on Regulation S. The International Underwriters are soliciting from prospective investors indications of interest in acquiring the International Offer Shares. Prospective investors will be required to specify the number of International Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price.

References in this Prospectus to applications, application monies or to the procedure for application relate solely to the Hong Kong Public Offering.

The number of the Hong Kong Offer Shares and the International Offer Shares to be offered under the Hong Kong Public Offering and the International Offering respectively, may be subject to reallocation as described below under the sub-section headed "Pricing and allocation" below.

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for the Offer Shares will be conditional on, among other things:

(i) the Stock Exchange granting the listing of, and permission to deal in, the Shares to be issued and sold as mentioned herein (including any additional shares which may be issued and sold pursuant to the exercise of the Over-allotment Option) and such listing and permission not subsequently having been revoked prior to the commencement of dealings in the Shares on the Stock Exchange;

(ii) the Offer Price having been duly determined and the execution and delivery of the International Underwriting Agreement on or around the Price Determination Date; and

(iii) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional (including, if relevant, as a result of the waiver of any conditions by the Overall Coordinators (acting for themselves and on behalf of other Underwriters)) and such obligations not being terminated in accordance with the terms of the respective agreements,

in each case, on or before the dates and times specified in the Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and in any event not later than the date that is 30 days after the date of this Prospectus.

The consummation of each of the International Offering and the Hong Kong Public Offering is conditional upon, among other things, the other becoming unconditional and not having been terminated in accordance with their respective terms.

If the above conditions are not fulfilled or waived prior to the times and dates specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. We will publish a notice of the lapse of the Global Offering on the website of our Company at **www.newgonowrv.hk** and the Stock Exchange at **www.hkexnews.hk** on the next day following such lapse.

In the above situation, we will return all application monies to the applicants, without interest and on the terms set out in "How to Apply for the Hong Kong Offer Shares" in this Prospectus. In the meantime, we will hold all application monies in a separate bank account or separate bank accounts with the receiving banker or other bank(s) licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) (as amended).

We expect to dispatch Share certificates for the Offer Shares on Friday, January 10, 2025. However, these Share certificates will only become valid evidence of title if (i) the Global Offering has become unconditional in all respects and (ii) the right of termination as described in the section headed "Underwriting" in this Prospectus has not been exercised, which is expected to be at 8:00 a.m. (Hong Kong time) on the Listing Date.

PRICING AND ALLOCATION

Indicative range of the Offer Price

The Offer Price will not be more than HK$1.64 per Offer Share and is expected to be not less than HK$1.24 per Offer Share, unless otherwise announced no later than the morning of the last day for lodging applications under the Hong Kong Public Offering, as explained below. Applicants for Hong Kong Offer Shares may be required to pay, on application (subject to application channels), the maximum Offer Price of HK$1.64 for each Hong Kong Offer Share (plus brokerage, SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fees).

Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the indicative range of the Offer Price stated in this Prospectus.

Determining the Offer Price

The International Underwriters are soliciting from prospective investors indications of interest in acquiring the International Offer Shares. Prospective investors will be required to specify the number of the International Offer Shares they would be prepared to acquire either at different prices or at a particular price. This process, known as "book-building", is expected to continue up to, the Price Determination Date.

The Offer Price is expected to be fixed by agreement between the Overall Coordinators (acting for itself and on behalf of the other Underwriters) and our Company on the Price Determination Date. The Price Determination Date is expected to be on or around Thursday, January 9, 2025 and in any event, no later than 12:00 noon on Thursday, January 9, 2025.

If, for any reason, the Overall Coordinators (acting for themselves and on behalf of the other Underwriters) and our Company are unable to reach agreement on the Offer Price on or before 12:00 noon on Thursday, January 9, 2025, the Global Offering will not proceed and will lapse.

Reduction in Offer Price range and/or number of Offer Shares

If the Overall Coordinators (acting for themselves and on behalf of the other Underwriters) consider it appropriate, the indicative Offer Price range and/or the number of Offer Shares may be reduced below that stated in this Prospectus at any time prior to the morning of the last day for lodging applications under the Hong Kong Public Offering with the consent of our Company.

In such a case, our Company will, as soon as practicable following the decision to make any such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Offer Shares, cause to be published on the websites of the Stock Exchange at **www.hkexnews.hk** and our Company at **www.newgonowrv.hk** an announcement of the reduction in the indicative Offer Price range and/or number of Offer Shares. Such notice will also include confirmation or revision, as appropriate, of the working capital statement, the use of proceeds and the offering statistics as currently disclosed in the section headed "Summary" in this Prospectus, and any other financial information which may change as a result of such reduction. The Offer Price, if agreed upon, will be fixed within such revised Offer Price range. Our Company will also, as soon as practicable follow the decision to make such change, issue a supplemental prospectus updating investors of the change in the number of Offer Shares being offered under the Global Offering and/or the Offer Price. The Global Offering must first be canceled and subsequently relaunched on FINI pursuant to the supplemental prospectus.

Before submitting applications for Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the indicative range of the Offer Price and/or number of Offer Shares may not be made until the day which is the last day for lodging applications under the Hong Kong Public Offering. Applicants under the Hong Kong Public Offering should note that in no circumstances can applications be withdrawn once submitted, even if the indicative range of the Offer Price and/or number of Offer Shares is so reduced. However, if the number of Offer Shares and/or the Offer Price is reduced, our Company will issue a supplemental prospectus updating investors of the change in the number of Offer Shares being offered under the Global Offering and/or the Offer Price. The Global Offering must first be canceled and subsequently relaunched on FINI pursuant to the supplemental prospectus.

Announcement of Final Offer Price

The final Offer Price, the level of applications in the Hong Kong Public Offering, the level of indications of interest in the International Offering, and the basis of allocations of the Hong Kong Offer Shares are expected to be announced on Friday, January 10, 2025, on our website **www.newgonowrv.hk** (in English and Chinese) and on the Stock Exchange's website (**www.hkexnews.hk**) and in a variety of channels in the manner described in the paragraph headed "How to Apply for the Hong Kong Offer Shares — B. Publication of Results" in this Prospectus. You should note that our website and all information contained in our website, does not form part of this Prospectus.

THE HONG KONG PUBLIC OFFERING

The Hong Kong Public Offering is a fully underwritten public offer (subject to agreement as to pricing and satisfaction or waiver of the other conditions set out in the Hong Kong Underwriting Agreement including those described in the paragraphs under "Conditions of the Global Offering" above) for the subscription in Hong Kong of, initially, 24,000,000 Offer Shares at the Offer Price, representing 10% of the initial number of the Offer Shares (before any exercise of the Over-allotment Option). Subject to the reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, the Hong Kong Offer Shares will represent 2.5% of the enlarged number of our Shares in issue immediately after completion of the Global Offering and the Capitalization Issue but before any exercise of the Over-allotment Option.

Allocation of the Offer Shares under the Hong Kong Public Offering will be based solely on the level of applications received under the Hong Kong Public Offering. The basis of allocation may vary depending on the number of Hong Kong Offer Shares applied for by applicants. The allocation of Hong Kong Offer Shares could, where appropriate, consist of balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

For allocation purposes only, the total number of Offer Shares available under the Hong Kong Public Offering (after taking into account of any reallocation of Hong Kong Offer Shares and International Offer Shares) is to be divided equally into two pools (with any odd lots being allocated to pool A):

Pool A: The Hong Kong Offer Shares in pool A will be allocated on an equitable basis to applicants who have applied for the Offer Shares with an aggregate subscription price of HK$5 million or less (excluding brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee payable); and

Pool B: The Hong Kong Offer Shares in pool B will be allocated on an equitable basis to applicants who have applied for the Hong Kong Offer Shares with an aggregate subscription price of more than HK$5 million and up to the total value of pool B (excluding brokerage, SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee payable).

Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If the Hong Kong Offer Shares in one (but not both) of the pools are undersubscribed, the surplus Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in the pool and be allocated accordingly. For the purpose of this paragraph only, the "price" for the Offer Shares means the price payable on application therefor (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of Hong Kong Offer Shares from either pool A or pool B but not from both pools. Multiple or suspected multiple applications under the Hong Kong Public Offering and any application for more than 12,000,000 Hong Kong Offer Shares, being the number of Hong Kong Offer Shares available under each pool, are liable to be rejected.

Reallocation

The allocation of Offer Shares between the Hong Kong Public Offering and the International Offering is subject to reallocation. A clawback mechanism following the closing of the application lists shall be applied on the following basis:

(a) where the International Offer Shares are fully subscribed or oversubscribed:

(i) if the Hong Kong Public Offering is fully subscribed and the number of Offer Shares validly applied for under the Hong Kong Public Offering represents less than 15 times the number of Offer Shares initially available for subscription under the Hong Kong Public Offering, the total number of Offer Shares available under the Hong Kong Public Offering will be increased to no more than 48,000,000 Offer Shares, representing 20% of the Offer Shares initially available under the Global Offering;

(ii) if the number of Offer Shares validly applied for under the Hong Kong Public Offering represents 15 times or more but less than 50 times the number of Offer Shares initially available for subscription under the Hong Kong Public Offering, the total number of Offer Shares available under the Hong Kong Public Offering will be 72,000,000 Offer Shares, representing 30% of the Offer Shares initially available under the Global Offering;

(iii) if the number of Offer Shares validly applied for under the Hong Kong Public Offering represents 50 times or more but less than 100 times the number of Offer Shares initially available for subscription under the Hong Kong Public Offering, then the number of Shares to be reallocated to the Hong Kong Public Offering from the International Offering will be increased so that the total number of Offer Shares available under the Hong Kong Public Offering will be 96,000,000 Offer Shares, representing 40% of the Offer Shares initially available under the Global Offering; and

(iv) if the number of Offer Shares validly applied for under the Hong Kong Public Offering represents 100 times or more the number of Offer Shares initially available for subscription under the Hong Kong Public Offering, then the number of shares to be reallocated to the Hong Kong Public Offering from the International Offering will be increased, so that the total number of Offer Shares available under the Hong Kong Public Offering will be 120,000,000 Offer Shares, representing 50% of the Offer Shares initially available under the Global Offering.

(b) where the International Offer Shares are undersubscribed:

(i) if the Hong Kong Offer Shares are also undersubscribed, the Global Offering will not proceed unless the Underwriters would subscribe for or procure subscribers for their respective applicable proportions of the Offer Shares being offered which are not taken up under the Global Offering on the terms and conditions of this Prospectus and the Underwriting Agreements; and

(ii) if the Hong Kong Offer Shares are fully subscribed or oversubscribed (irrespective of the extent of over-subscription), then up to 24,000,000 Offer Shares may be reallocated to the Hong Kong Public Offering from the International Offering, so that the total number of the Offer Shares available under the Hong Kong Public Offering will be increased to no more than 48,000,000 Offer Shares, representing 20% of the total number of the Offer Shares initially available under the Global Offering.

In such cases, the number of Offer Shares allocated in the International Offering will be correspondingly reduced, in such manner as the Overall Coordinators deem appropriate, and such additional Offer Shares will be reallocated between Pool A and Pool B. If the Hong Kong Offer Shares are not fully subscribed, the Overall Coordinators have the authority to reallocate all or any unsubscribed Hong Kong Offer Shares to the International Offering, in such proportions as the Overall Coordinators deem appropriate. In the event of a reallocation of the Offer Shares between the Hong Kong Public Offering and the International Offering in the circumstances under paragraphs (a)(i) or (b)(ii) above, the final Offer Price shall be fixed at the low-end of the indicative Offer Price range (i.e. HK$1.24 per Offer Share) stated in this Prospectus.

In addition, the Overall Coordinators may, in their sole and absolute discretion, reallocate the Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering. In accordance with Chapter 4.14 of the Guide for New Listing Applicants issued by the Stock Exchange, if such reallocation is done other than pursuant to Practice Note 18 of the Listing Rules, the maximum total number of Offer Shares that may be reallocated to the Hong Kong Public Offering following such reallocation shall be not more than double the initial allocation to the Hong Kong Public Offering (i.e. 48,000,000 Offer Shares). Also, subject to the forgoing paragraphs, the Offer Shares to be offered in the Hong Kong Public Offering and the International Offering may, in certain circumstances, be reallocated as between these offerings at the discretion of the Overall Coordinators.

Each applicant under the Hong Kong Public Offering will be required to give an undertaking and confirmation in the application submitted by him or her that he or she and any person(s) for whose benefit he or she is making the application have not indicated an interest for or taken up and will not indicate an interest for or take up any International Offer Shares, and such applicant's application will be rejected if the said undertaking and/or confirmation is breached and/or untrue. Our Company, our Directors and the Hong Kong Underwriters will take reasonable steps to identify and reject applications under the

Hong Kong Public Offering from investors who have received Shares in the International Offering, and to identify and reject indications of interest in the International Offering from investors who have received Shares in the Hong Kong Public Offering.

The Overall Coordinators (acting for themselves and on behalf of the other Underwriters) may require any investor who has been offered Shares under the International Offering and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Overall Coordinators so as to allow it to identify the relevant applications under the Hong Kong Public Offering and to ensure that it is excluded from any application for the Shares under the Hong Kong Public Offering.

THE INTERNATIONAL OFFERING

The number of the Offer Shares to be initially offered for subscription and sale under the International Offering will be 216,000,000 Offer Shares, representing 90% of the initial number of the Offer Shares (before the exercise of the Over-allotment Option). Subject to the reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, the International Offer Shares will represent 22.5% of the enlarged number of our Shares in issue immediately following completion of the Global Offering and the Capitalization Issue but before any exercise of the Over-allotment Option.

Pursuant to the International Offering, the International Offer Shares will be conditionally placed on behalf of us by the International Underwriters or through selling agents appointed by them. International Offer Shares will be placed with certain professional and institutional investors and other investors anticipated to have sizeable demand for the International Offer Shares in Hong Kong, Europe and other jurisdictions outside the United States in offshore transactions meeting the requirements of, and in reliance on Regulation S or another exemption from registration requirements under the U.S. Securities Act. Prospective investors may be required to give an undertaking and confirmation that they have not applied or taken up any Hong Kong Offer Shares. The International Offering is subject to the Hong Kong Public Offering becoming unconditional.

Allocation of the Offer Shares under the International Offering will be determined by the Overall Coordinators and will be based on a number of factors including the level and timing of demand, total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further, and/or hold or sell Shares after the listing of the Shares on the Stock Exchange. Such allocation may be made to professional, institutional and corporate investors and is intended to result in a distribution of the Shares on a basis which would lead to the establishment of a stable shareholder base to the benefit of our Company and our Shareholders as a whole.

Over-allotment Option

We are expected to grant to the International Underwriters the Over-allotment Option, exercisable by the Overall Coordinators at any time from the signing of the International Underwriting Agreement until the 30th day after the last date for the lodging of applications in the Hong Kong Public Offering, to require us to issue up to 36,000,000 additional Shares, representing 15% of the initial number of the Offer Shares. These Shares will be issued at the same price per Share under the International Offering to cover, among other things, over-allocations in the International Offering, if any. An announcement will be made in the event that the Over-allotment Option is exercised.

OVER-ALLOCATION AND STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the new securities in the secondary market, during a specified period of time, to retard and, if possible, prevent any decline in the market price of the securities below the offer price. In Hong Kong and certain other jurisdictions, activity aimed at reducing the market price is prohibited, the price at which stabilization is effected is not permitted to exceed the offer price.

In connection with the Global Offering, the Stabilizing Manager, or any person acting for it, on behalf of the Underwriters, may, to the extent permitted by applicable laws of Hong Kong or elsewhere, over-allocate or effect any other transactions with a view to stabilizing or maintaining the market price of the Shares at a level higher than that which might otherwise prevail in the open market for a limited period after the last day for the lodging of applications under the Hong Kong Public Offering. Any market purchases of Shares will be effected in compliance with all applicable laws and regulatory requirements. However, there is no obligation on the Stabilizing Manager or any person acting for it to conduct any such stabilizing activity, which if commenced, will be done at the absolute discretion of the Stabilizing Manager and may be discontinued at any time. Any such stabilizing activity is required to be brought to an end within 30 days of the last day for the lodging of applications under the Hong Kong Public Offering. The number of Shares that may be over-allocated will not exceed the number of Shares that may be sold under the Over-allotment Option, namely 36,000,000 Shares, which is 15% of the Offer Shares initially available under the Global Offering.

Stabilizing action will be entered into in accordance with the laws, rules and regulations in place in Hong Kong and stabilization action permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilizing) Rules under the SFO includes: (i) over-allocation for the purpose of preventing or minimizing any reduction in the market price of the Shares; (ii) selling or agreeing to sell the Shares so as to establish a short position in them for the purpose of preventing or minimizing any reduction in the market price of the Shares; (iii) purchasing or subscribing for, or agreeing to purchase or subscribe for, the Shares pursuant to the Over-allotment Option in order to close out any position established under (i) or (ii) above; (iv) purchasing, or agreeing to purchase, any of the Shares for the sole purpose of preventing or minimizing any reduction in the market price of the Shares; (v) selling or agreeing to sell any Shares in order to liquidate any position held as a result of those purchases; and (vi) offering or attempting to do anything described in (ii), (iii), (iv) or (v) above.

Specifically, prospective applicants for and investors in the Offer Shares should note that:

(i) the Stabilizing Manager, or any person acting for it, may, in connection with the stabilizing action, maintain a long position in the Shares;

(ii) there is no certainty regarding the extent to which and the time period for which the Stabilizing Manager, or any person acting for it, will maintain such a position;

(iii) liquidation of any such long position by the Stabilizing Manager may have an adverse impact on the market price of the Shares;

(iv) no stabilizing action can be taken to support the price of the Shares for longer than the stabilizing period which will begin on the Listing Date following announcement of the Offer Price, and is expected to expire on the 30th day after the last date for lodging applications under the Hong Kong Public Offering. After this date, when no further stabilizing action may be taken, demand for the Shares, and therefore the price of the Shares, could fall; and

(v) the price of the Shares cannot be assured to stay at or above the Offer Price either during or after the stabilizing period by the taking of any stabilizing action; and stabilizing bids may be made or transactions effected in the course of the stabilizing action at any price at or below the Offer Price, which means that stabilizing bids may be made or transactions effected at a price below the price paid by applicants for, or investors in, the Shares.

Our Company will ensure that a public announcement in compliance with the Securities and Futures (Price Stabilizing) Rules will be made within seven days of the expiration of the stabilizing period. In connection with the Global Offering, the Overall Coordinators may over-allocate up to and not more than an aggregate of 36,000,000 Shares and cover such over-allocations by (amongst other methods) exercising the Over-allotment Option, making purchases in the secondary market at prices that do not exceed the Offer Price or by any combination of these means.

STOCK BORROWING ARRANGEMENT

In order to facilitate the settlement of over-allocations in connection with the International Offering, the Stabilizing Manager or any person acting for it may choose to borrow Shares from Snowy Limited under the Stock Borrowing Agreement, or acquire Shares from other sources, including the exercising of the Over-allotment Option. The Stock Borrowing Agreement will not be subject to the restrictions of Rule 10.07(1)(a) of the Listing Rules provided that the requirements set out in Rule 10.07(3) of the Listing Rules are to be complied with as follows:

(i) such stock borrowing arrangement with Snowy Limited will only be effected by the Stabilizing Manager for settlement of over-allocations in the International Offering and covering any short position prior to the exercise of the Over-allotment Option;

(ii) the maximum number of Shares borrowed from Snowy Limited under the Stock Borrowing Agreement will be limited to the maximum number of Shares which may be issued upon exercise of the Over-allotment Option;

(iii) the same number of Shares so borrowed must be returned to Snowy Limited or its nominees on or before the third business day following the earlier of (a) the last day on which the Over-allotment Option may be exercised or (b) the day on which the Over-allotment Option is exercised in full;

(iv) the stock borrowing arrangement under the Stock Borrowing Agreement will be effected in compliance with all applicable laws, listing rules and regulatory requirements; and

(v) no payment will be made to Snowy Limited by the Stabilizing Manager or its authorized agents in relation to such stock borrowing arrangement.

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

All necessary arrangements have been made to enable the Shares to be admitted into the CCASS.

If the Stock Exchange grants the listing of, and permission to deal in, the Shares and our Company complies with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares on the Stock Exchange or any other date HKSCC chooses. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

DEALING ARRANGEMENTS

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Monday, January 13, 2025, dealings in the Shares on the Stock Exchange are expected to commence at 9:00 a.m. on Monday, January 13, 2025.

The Shares will be traded in board lots of 2,000 Shares each and are freely transferable and the stock code is 0805.

IMPORTANT NOTICE TO INVESTORS OF HONG KONG OFFER SHARES
FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide any printed copies of this prospectus for use by the public.

This Prospectus is available at the website of the Hong Kong Stock Exchange at **www.hkexnews.hk** under the "*HKEXnews > New Listings > New Listing Information*" section and our website at **www.newgonowrv.hk**. If you require a printed copy of this Prospectus, you may download and print from the website addresses above.

The contents of the Prospectus are identical to the prospectus as registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (WUMP) Ordinance. Set out below are procedures through which you can apply for the Hong Kong Offer Shares electronically. We will not provide any physical channels to accept any application for the Hong Kong Offer Shares by the public.

A. APPLICATION FOR THE HONG KONG OFFER SHARES

1. Who Can Apply

You can apply for Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are 18 years of age or older; and
- have a Hong Kong address *(for the **HK eIPO White Form** service only)*.

Unless permitted by the Listing Rules or a waiver and/or consent has been granted by the Stock Exchange to us, you cannot apply for any Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are an existing Shareholder or close associates; or
- are a Director or any of his/her close associates (as defined in the Listing Rules).

2. Application Channels

The Hong Kong Public Offering period will begin at 9:00 a.m. on Tuesday, December 31, 2024 and end at 12:00 noon on Wednesday, January 8, 2025 (Hong Kong time).

To apply for Hong Kong Offer Shares, you may use one of the following application channels:

Application Channel	Platform	Target Investors	Application Time
HK eIPO White Form service	**www.hkeipo.hk**	Investors who would like to receive a physical Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name.	From 9:00 a.m. on Tuesday, December 31 2024 to 11:30 a.m. on Wednesday, January 8, 2025, Hong Kong time. The latest time for completing full payment of application monies will be 12:00 noon on Wednesday, January 8, 2025, Hong Kong time.
HKSCC EIPO channel	Your broker or custodian who is a HKSCC Participant will submit an EIPO application on your behalf through HKSCC's FINI system in accordance with your instruction	Investors who would not like to receive a physical Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant's stock account.	Contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian.

The **HK eIPO White Form** service and the HKSCC EIPO channel are facilities subject to capacity limitations and potential service interruptions and you are advised not to wait until the last day of the application period to apply for Hong Kong Offer Shares.

For those applying through the **HK eIPO White Form** service, once you complete payment in respect of any application instructions given by you or for your benefit through the **HK eIPO White Form** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. If you are a person for whose benefit the **electronic application instructions** are given, you shall be deemed to have declared that only one set of **electronic application instructions** has been given for your benefit. If you are an agent for another person, you shall be deemed to have declared that you have only given one set of **electronic application instructions** for the benefit of the person for whom you are an agent and that you are duly authorized to give those instructions as an agent.

For the avoidance of doubt, giving an application instruction under the **HK eIPO White Form** service more than once and obtaining different payment reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you apply through the **HK eIPO White Form** service, you are deemed to have authorized the **HK eIPO White Form** Service Provider to apply on the terms and conditions in this Prospectus, as supplemented and amended by the terms and conditions of the **HK eIPO White Form** service.

By instructing your **broker** or **custodian** to apply for the Hong Kong Offer Shares on your behalf through the HKSCC EIPO Channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to apply for Hong Kong Offer Shares on your behalf and to do on your behalf all the things stated in this Prospectus and any supplement to it.

For those applying through HKSCC EIPO channel, an actual application will be deemed to have been made for any application instructions given by you or for your benefit to HKSCC (in which case an application will be made by HKSCC Nominees on your behalf) provided such application instruction has not been withdrawn or otherwise invalidated before the closing time of the Hong Kong Public Offering.

HKSCC Nominees will only be acting as a nominee for you and neither HKSCC nor HKSCC Nominees shall be liable to you or any other person in respect of any actions taken by HKSCC or HKSCC Nominees on your behalf to apply for Hong Kong Offer Shares or for any breach of the terms and conditions of this Prospectus.

3. Information Required to Apply

You must provide the following information with your application:

For Individual Applicants

- Full name(s)[2] as shown on your identity document
- Identity document's issuing country or jurisdiction
- Identity document type, with order of priority:

  i. Hong Kong Identity card ("**HKID**"); or

  ii. National identification document; or

  iii. Passport; and

- Identity document number

For Corporate Applicants

- Full name(s)[2] as shown on your identity document
- Identity document's issuing country or jurisdiction
- Identity document type, with order of priority:

  i. LEI registration document; or

  ii. Certificate of incorporation; or

  iii. Business registration certificate; or

  iv. Other equivalent document; and

- Identity document number

Notes:

1. If you are applying through the **HK eIPO White Form** service, you are required to provide a valid e-mail address, a contact telephone number and a Hong Kong Address. You are also required to declare that the identity information provided by you follows the requirements as described in note 2 below. In particular, where you cannot provide a HKID number, you must confirm that you do not hold a HKID card. The number of joint applicants may not exceed four. If you are a firm, the applicant must be in the individual members' names.

2. The applicant's full name as shown on their identity document must be used. If an applicant's identity document contains both an English and Chinese name, both English and Chinese names must be used. Otherwise, either English or Chinese names will be accepted. The order of priority of the applicant's identity document type must be strictly followed and where an individual applicant has a valid HKID card, the HKID number must be used when making an application to subscribe for shares in a public offer. Similarly for corporate applicants, a LEI number must be used if an entity has a LEI certificate.

3. If the applicant is a trustee, the client identification data ("**CID**") of the trustee, as set out above, will be required. If the applicant is an investment fund (i.e. a collective investment scheme, or CIS), the CID of the asset management company or the individual fund, as appropriate, which has opened a trading account with the broker will be required, as above.

4. The maximum number of joint account holders on FINI is capped at 4[1] in accordance with market practice.

5. If you are applying as a nominee, you must provide: (i) the full name (as shown on the identity document), the identity document's issuing country or jurisdiction, the identity document type; and (ii), the identity document number, for each of the beneficial owners or, in the case(s) of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

6. If you are applying as an unlisted company and (i) the principal business of that company is dealing in securities; and (ii) you exercise statutory control over that company, then the application will be treated as being for your benefit and you should provide the required information in your application as stated above.

   "Unlisted company" means a company with no equity securities listed on the Stock Exchange or any other stock exchange.

   "Statutory control" means you:

   - control the composition of the board of directors of the company;
   - control more than half of the voting power of the company; or
   - hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

For those applying through HKSCC EIPO channel, and making an application under a power of attorney, we and the Overall Coordinators, as our agent, have discretion to consider whether to accept it on any conditions we think fit, including evidence of the attorney's authority.

Failing to provide any required information may result in your application being rejected.

[1] Subject to change, if the Company's Articles of Incorporation and applicable company law prescribe a lower cap.

4. Permitted Number of Hong Kong Offer Shares for Application

Board lot size	:	2,000 Shares for one board lot
Permitted number of Hong Kong Offer Shares for application and amount payable on application/ successful allotment	:	Hong Kong Offer Shares are available for application in specified board lot sizes only. Please refer to the amount payable associated with each specified board lot size in the table below.

The maximum Offer Price is HK$1.64 per Share.

If you are applying through the HKSCC EIPO channel, you are required to pre-fund your application based on the amount specified by your **broker** or **custodian**, as determined based on the applicable laws and regulations in Hong Kong.

By instructing your **broker** or **custodian** to apply for the Hong Kong Offer Shares on your behalf through the HKSCC EIPO Channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to arrange payment of the final Offer Price, brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy by debiting the relevant nominee bank account at the Designated Bank for your **broker** or **custodian**.

If you are applying through the **HK eIPO White Form** service, you may refer to the table below for the amount payable for the number of Shares you have selected. You must pay the respective maximum amount payable on application in full upon application for Hong Kong Offer Shares.

No. of Hong Kong Offer Shares applied for	Maximum Amount payable(2) on application/ successful allotment HK$	No. of Hong Kong Offer Shares applied for	Maximum Amount payable(2) on application/ successful allotment HK$	No. of Hong Kong Offer Shares applied for	Maximum Amount payable(2) on application/ successful allotment HK$	No. of Hong Kong Offer Shares applied for	Maximum Amount payable(2) on application/ successful allotment HK$
2,000	3,313.08	40,000	66,261.58	200,000	331,307.88	4,000,000	6,626,157.60
4,000	6,626.16	50,000	82,826.96	300,000	496,961.82	5,000,000	8,282,697.00
6,000	9,939.24	60,000	99,392.37	400,000	662,615.75	6,000,000	9,939,236.40
8,000	13,252.31	70,000	115,957.76	500,000	828,269.70	7,000,000	11,595,775.80
10,000	16,565.39	80,000	132,523.15	600,000	993,923.65	8,000,000	13,252,315.20
12,000	19,878.47	90,000	149,088.55	700,000	1,159,577.58	9,000,000	14,908,854.60
14,000	23,191.55	100,000	165,653.95	800,000	1,325,231.52	10,000,000	16,565,394.00
16,000	26,504.63	120,000	198,784.73	900,000	1,490,885.45	12,000,000(1)	19,878,472.80
18,000	29,817.71	140,000	231,915.51	1,000,000	1,656,539.40		
20,000	33,130.79	160,000	265,046.30	2,000,000	3,313,078.80		
30,000	49,696.18	180,000	298,177.09	3,000,000	4,969,618.20		

Notes:

(1) Maximum number of Hong Kong Offer Shares you may apply for and this is 50% of the Hong Kong Offer Shares initially offered.

(2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) or to the **HK eIPO White Form** Service Provider (for applications made through the application channel of the **HK eIPO White Form** Service Provider) while the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy will be paid to the SFC, the Stock Exchange and the AFRC, respectively.

5. Multiple Applications Prohibited

You or your joint applicant(s) shall not make more than one application for your own benefit, except where you are a nominee and provide the information of the underlying investor in your application as required under the paragraph headed "— *A. Applications for Hong Kong Offer Shares — 3. Information Required to Apply*" in this section. If you are suspected of submitting or cause to submit more than one application, all of your applications will be rejected.

Multiple applications made either through (i) the **HK eIPO White Form** service, (ii) HKSCC EIPO channel, or (iii) both channels concurrently are prohibited and will be rejected. If you have made an application through the **HK eIPO White Form** service or HKSCC EIPO channel, you or the person(s) for whose benefit you have made the application shall not apply for any International Offer Shares.

The Hong Kong Share Registrar would record all applications into its system and identify suspected multiple applications with identical names and identification document numbers according to the Best Practice Note on Treatment of Multiple/Suspected Multiple Applications ("**Best Practice Note**") issued by the Federation of Share Registrars Limited.

Since applications are subject to personal information collection statements, identification document numbers displayed are redacted.

6. Terms and Conditions of An Application

By applying for Hong Kong Offer Shares through **HK eIPO White Form** service or HKSCC EIPO channel, you (or as the case may be, HKSCC Nominees will do the following things on your behalf):

(i) undertake to execute all relevant documents and instruct and authorize us and/or the Overall Coordinators, as our agents, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association, and (if you are applying through the HKSCC EIPO channel) to deposit the allotted Hong Kong Offer Shares directly into CCASS for the credit of your designated HKSCC Participant's stock account on your behalf;

(ii) confirm that you have read and understand the terms and conditions and application procedures set out in this Prospectus and the designated website of the **HK eIPO White Form** service (or as the case may be, the agreement you entered into with your broker or custodian), and agree to be bound by them;

(iii) (if you are applying through the HKSCC EIPO channel) agree to the arrangements, undertakings and warranties under the participant agreement between your **broker** or **custodian** and HKSCC and observe the General Rules of HKSCC and the HKSCC Operational Procedures for giving application instructions to apply for Hong Kong Offer Shares;

(iv) confirm that you are aware of the restrictions on offers and sales of shares set out in this Prospectus and they do not apply to you, or the person(s) for whose benefit you have made the application;

(v) confirm that you have read this Prospectus and any supplement to it and have relied only on the information and representations contained therein in making your application (or as the case may be, causing your application to be made) and will not rely on any other information or representations;

(vi) agree that the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Capital Market Intermediaries, any of their or the Company's respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Global Offering (the "**Relevant Persons**"), the Hong Kong Share Registrar and HKSCC will not be liable for any information and representations not in this Prospectus and any supplement to it;

(vii) agree to disclose the details of your application and your personal data and any other personal data which may be required about you and the person(s) for whose benefit you have made the application to us, the Relevant Persons, the Hong Kong Share Registrar, HKSCC, HKSCC Nominees, the Hong Kong Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, for the purposes under the paragraph headed "— G. Personal Data — 3. Purposes and 4. Transfer of personal data" in this section;

(viii) agree (without prejudice to any other rights which you may have once your application (or as the case may be, HKSCC Nominees' application) has been accepted) that you will not rescind it because of an innocent misrepresentation;

(ix) agree that subject to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any application made by you or HKSCC Nominees on your behalf cannot be revoked once it is accepted, which will be evidenced by the notification of the result of the ballot by the Hong Kong Share Registrar by way of publication of the results at the time and in the manner as specified in the paragraph headed "— B. Publication of Results" in this section;

(x) confirm that you are aware of the situations specified in the paragraph headed "— *C*. Circumstances In Which You Will Not Be Allocated Hong Kong Offer Shares" in this section;

(xi) agree that your application or HKSCC Nominees' application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong;

(xii) agree to comply with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Articles of Association and laws of any place outside Hong Kong that apply to your application and that neither we nor the Relevant Persons will breach any law inside and/or outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this Prospectus;

(xiii) confirm that (a) your application or HKSCC Nominees' application on your behalf is not financed directly or indirectly by the Company, any of the directors, chief executives, substantial Shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates; and (b) you are not accustomed or will not be accustomed to taking instructions from the Company, any of the directors, chief executives, substantial shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Shares registered in your name or otherwise held by you;

(xiv) warrant that the information you have provided is true and accurate;

(xv) confirm that you understand that we and the Overall Coordinators will rely on your declarations and representations in deciding whether or not to allocate any Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;

(xvi) agree to accept Hong Kong Offer Shares applied for or any lesser number allocated to you under the application;

(xvii) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;

(xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit by giving **electronic application instructions** to HKSCC directly or indirectly or through the application channel of the **HK eIPO White Form** Service Provider or by any one as your agent or by any other person; and

(xix) (if you are making the application as an agent for the benefit of another person) warrant that (1) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person by giving **electronic application instructions** to HKSCC and the **HK eIPO White Form** Service Provider (2) you have due authority to give **electronic application instructions** on behalf of that other person as its agent.

B. PUBLICATION OF RESULTS

Results of Allocation

You can check whether you are successfully allocated any Hong Kong Offer Shares through:

Platform		Date/Time
Applying through the **HK eIPO White Form** service or HKSCC EIPO channel:		
Website	from "Allotment Results" page at the designated results of allocations website at **www.tricor.com.hk/ipo/result** or **www.hkeipo.hk/IPOResult** with a "search by ID" function.	24 hours, from 11:00 p.m. on Friday, January 10, 2025 to 12:00 midnight on Thursday, January 16, 2025 (Hong Kong time)
	The full list of (i) wholly or partially successful applicants using the **HK eIPO White Form** service and HKSCC EIPO channel, and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed at **www.hkeipo.hk/IPOResult** or **www.tricor.com.hk/ipo/result**.	
	The Stock Exchange's website at **www.hkexnews.hk** and our website at **www.newgonowrv.hk** which will provide links to the above mentioned websites of the Hong Kong Share Registrar.	No later than 11:00 p.m. on Friday, January 10, 2025 (Hong Kong time).
Telephone	+852 3691 8488 — the allocation results telephone enquiry line provided by the Hong Kong Share Registrar	between 9:00 a.m. and 6:00 p.m. from Monday, January 13, 2025 to Thursday, January 16, 2025 (Hong Kong time) on a business day

For those applying through HKSCC EIPO channel, you may also check with your broker or custodian from 6:00 p.m. on Thursday, January 9, 2025 (Hong Kong time).

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Thursday, January 9, 2025 (Hong Kong time) on a 24-hour basis and should report any discrepancies on allotments to HKSCC as soon as practicable.

Allocation Announcement

We expect to announce the results of the final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocations of Hong Kong Offer Shares on the Hong

Kong Stock Exchange's website at **www.hkexnews.hk** and our website at **www.newgonowrv.hk** by no later than 11:00 p.m. on Friday, January 10, 2025 (Hong Kong time).

C. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED HONG KONG OFFER SHARES

You should note the following situations in which Hong Kong Offer Shares will not be allocated to you or the person(s) for whose benefit you are applying for:

1. If your application is revoked:

Your application or the application made by HKSCC Nominees on your behalf may be revoked pursuant to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

2. If we or our agents exercise our discretion to reject your application:

We, the Overall Coordinators, the Hong Kong Share Registrar and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

3. If the allocation of Hong Kong Offer Shares is void:

The allocation of Hong Kong Offer Shares will be void if the Stock Exchange does not grant permission to list the Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Stock Exchange notifies us of that longer period within three weeks of the closing date of the application lists.

4. If:

- you make multiple applications or suspected multiple applications. You may refer to the paragraph headed "— A. Applications for Hong Kong Offer Shares — 5. Multiple Applications Prohibited" in this section on what constitutes multiple applications;
- your application instruction is incomplete;
- your payment (or confirmation of funds, as the case may be) is not made correctly;
- the Underwriting Agreements do not become unconditional or are terminated;

- we or the Overall Coordinators believes that by accepting your application, it or we would violate applicable securities or other laws, rules or regulations.

5. If there is money settlement failure for allotted Shares:

Based on the arrangements between HKSCC Participants and HKSCC, HKSCC Participants will be required to hold sufficient application funds on deposit with their Designated Bank before balloting. After balloting of Hong Kong Offer Shares, the Receiving Bank will collect the portion of these funds required to settle each HKSCC Participant's actual Hong Kong Offer Share allotment from their Designated Bank.

There is a risk of money settlement failure. In the extreme event of money settlement failure by a HKSCC Participant (or its Designated Bank), who is acting on your behalf in settling payment for your allotted shares, HKSCC will contact the defaulting HKSCC Participant and its Designated Bank to determine the cause of failure and request such defaulting HKSCC Participant to rectify or procure to rectify the failure.

However, if it is determined that such settlement obligation cannot be met, the affected Hong Kong Offer Shares will be reallocated to the International Offering. Hong Kong Offer Shares applied for by you through the **broker** or **custodian** may be affected to the extent of the settlement failure. In the extreme case, you will not be allocated any Hong Kong Offer Shares due to the money settlement failure by such HKSCC Participant. None of us, the Relevant Persons, the Hong Kong Share Registrar and HKSCC is or will be liable if Hong Kong Offer Shares are not allocated to you due to the money settlement failure.

D. DESPATCH/COLLECTION OF SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES

You will receive one Share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made through the HKSCC EIPO channel where the Share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the Shares. No receipt will be issued for sums paid on application.

Share certificates will only become valid at 8:00 a.m. on Monday, January 13, 2025 (Hong Kong time), provided that the Global Offer has become unconditional and the right of termination described in the section headed "Underwriting" has not been exercised. Investors who trade Shares prior to the receipt of Share certificates or the Share certificates becoming valid do so entirely at their own risk.

The right is reserved to retain any Share certificate(s) and (if applicable) any surplus application monies pending clearance of application monies.

The following sets out the relevant procedures and time:

	HK eIPO White Form service	HKSCC EIPO channel
Despatch/collection of Share certificate[2]		
For application of 1,000,000 Hong Kong Offer Shares or more	Collection in person at Hong Kong Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong	Share certificate(s) will be issued in the name of HKSCC Nominees, deposited into CCASS and credited to your designated HKSCC Participant's stock account
	Time: from 9:00 a.m. to 1:00 p.m. on Monday, January 13, 2025 (Hong Kong time)	No action by you is required
	If you are an individual, you must not authorize any other person to collect for you. If you are a corporate applicant, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation's chop.	
	Both individuals and authorized representatives must produce, at the time of collection, evidence of identity acceptable to the Hong Kong Share Registrar.	
	Note: If you do not collect your Share certificate(s) personally within the time above, it/they will be sent to the address specified in your application instructions by ordinary post at your own risk	
For application of less than 1,000,000 Hong Kong Offer Shares	Your Share certificate(s) will be sent to the address specified in your application instructions by ordinary post at your own risk	
	Date: Friday, January 10, 2025	

2 Except in the event of a tropical cyclone warning signal number 8 or above, a black rainstorm warning and/or an "extreme conditions" announcement issued after a super typhoon in force in Hong Kong in the morning on Friday, January 10, 2025 rendering it impossible for the relevant Share certificates to be dispatched to HKSCC in a timely manner, the Company shall procure the Hong Kong Share Registrar to arrange for delivery of the supporting documents and Share certificates in accordance with the contingency arrangements as agreed between them. You may refer to " — E. Bad Weather Arrangements" in this section.

	HK eIPO White Form service	HKSCC EIPO channel
Refund mechanism for surplus application monies paid by you		
Date	Monday, January 13, 2025	Subject to the arrangement between you and your **broker** or **custodian**
Responsible party	Hong Kong Share Registrar	Your **broker** or **custodian**
Application monies paid through single bank account	**HK eIPO White Form** e-Auto Refund payment instructions to your designated bank account	Your **broker** or **custodian** will arrange refund to your designated bank account subject to the arrangement between you and it
Application monies paid through multiple bank accounts	Refund check(s) will be despatched to the address as specified in your application instructions by ordinary post at your own risk	

E. BAD WEATHER ARRANGEMENTS

The Opening and Closing of the Application Lists

The application lists will not open or close on Wednesday, January 8, 2025 if, there is:

- a tropical cyclone warning signal number 8 or above;
- a black rainstorm warning; and/or
- Extreme Conditions

  (collectively, "**Bad Weather Signals**"),

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Wednesday, January 8, 2025.

Instead they will open between 11:45 a.m. and 12:00 noon and/or close at 12:00 noon on the next business day which does not have **Bad** Weather Signals in force at any time between 9:00 a.m. and 12:00 noon.

Prospective investors should be aware that a postponement of the opening/closing of the application lists may result in a delay in the listing date. Should there be any changes to the dates mentioned in the section headed "Expected Timetable" in this Prospectus, an announcement will be made and published on the Stock Exchange's website at **www.hkexnews.hk** and our website at **www.newgonowrv.hk** of the revised timetable.

If a **Bad** Weather Signal is hoisted on Friday, January 10, 2025, the Hong Kong Share Registrar will make appropriate arrangements for the delivery of the share certificates to the CCASS Depository's service counter so that they would be available for trading on Monday, January 13, 2025.

If a **Bad** Weather Signal is hoisted on Friday, January 10, 2025, for application of less than 1,000,000 Offer Shares, the dispatch of physical Share certificates will be made by ordinary post when the post office re-opens after the **Bad** Weather Signal is lowered or canceled (e.g. in the afternoon of Friday, January 10, 2025 or on Monday, January 13, 2025).

If a **Bad** Weather Signal is hoisted on Monday, January 13, 2025, for application of 1,000,000 Offer Shares or more, the physical Share certificates will be available for collection in person at the Hong Kong Share Registrar's office after the **Bad** Weather Signal is lowered or canceled (e.g. in the afternoon of Monday, January 13, 2025 or on Tuesday, January 14, 2025).

Prospective investors should be aware that if they choose to receive physical Share certificates issued in their own name, there may be a delay in receiving the Share certificates.

F. ADMISSION OF THE SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the Shares on the Stock Exchange and we comply with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

You should seek the advice of your broker or other professional advisor for details of the settlement arrangement as such arrangements may affect your rights and interests.

G. PERSONAL DATA

The following Personal Information Collection Statement applies to any personal data collected and held by the Company, the Hong Kong Share Registrar, the receiving banks and the Relevant Persons about you in the same way as it applies to personal data about applicants other than HKSCC Nominees. This personal data may include client identifier(s) and your identification information. By giving application instructions to HKSCC, you acknowledge that you have read, understood and agree to all of the terms of the Personal Information Collection Statement below.

1. Personal Information Collection Statement

This Personal Information Collection Statement informs the applicant for, and holder of, Hong Kong Offer Shares, of the policies and practices of the Company and the Hong Kong Share Registrar in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

2. Reasons for the collection of your personal data

It is necessary for applicants and registered holders of Hong Kong Offer Shares to ensure that personal data supplied to the Company or its agents and the Hong Kong Share Registrar is accurate and up-to-date when applying for Hong Kong Offer Shares or transferring Hong Kong Offer Shares into or out of their names or in procuring the services of the Hong Kong Share Registrar.

Failure to supply the requested data or supplying inaccurate data may result in your application for Hong Kong Offer Shares being rejected, or in the delay or the inability of the Company or the Hong Kong Share Registrar to effect transfers or otherwise render their services. It may also prevent or delay registration or transfers of Hong Kong Offer Shares which you have successfully applied for and/or the despatch of Share certificate(s) to which you are entitled.

It is important that applicants for and holders of Hong Kong Offer Shares inform the Company and the Hong Kong Share Registrar immediately of any inaccuracies in the personal data supplied.

3. Purposes

Your personal data may be used, held, processed, and/or stored (by whatever means) for the following purposes:

- processing your application and refund check and e-Auto Refund payment instruction(s), where applicable, verification of compliance with the terms and application procedures set out in this Prospectus and announcing results of allocation of Hong Kong Offer Shares;
- compliance with applicable laws and regulations in Hong Kong and elsewhere;

- registering new issues or transfers into or out of the names of the holders of the Shares including, where applicable, HKSCC Nominees;
- maintaining or updating the register of members of the Company;
- verifying identities of applicants for and holders of the Shares and identifying any duplicate applications for the Shares;
- facilitating Hong Kong Offer Shares balloting;
- establishing benefit entitlements of holders of the Shares, such as dividends, rights issues, bonus issues, etc.;
- distributing communications from the Company and its subsidiaries;
- compiling statistical information and profiles of the holder of the Shares;
- disclosing relevant information to facilitate claims on entitlements; and
- any other incidental or associated purposes relating to the above and/or to enable the Company and the Hong Kong Share Registrar to discharge their obligations to applicants and holders of the Shares and/or regulators and/or any other purposes to which applicants and holders of the Shares may from time to time agree.

4. Transfer of personal data

Personal data held by the Company and the Hong Kong Share Registrar relating to the applicants for and holders of Hong Kong Offer Shares will be kept confidential but the Company and the Hong Kong Share Registrar may, to the extent necessary for achieving any of the above purposes, disclose, obtain or transfer (whether within or outside Hong Kong) the personal data to, from or with any of the following:

- the Company's appointed agents such as financial advisers, receiving banks and overseas principal share registrar;
- HKSCC or HKSCC Nominees, who will use the personal data and may transfer the personal data to the Hong Kong Share Registrar, in each case for the purposes of providing its services or facilities or performing its functions in accordance with its rules or procedures and operating FINI and CCASS (including where applicants for the Hong Kong Offer Shares request a deposit into CCASS);
- any agents, contractors or third-party service providers who offer administrative, telecommunications, computer, payment or other services to the Company or the Hong Kong Share Registrar in connection with their respective business operation;

- the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, including for the purpose of the Stock Exchange's administration of the Listing Rules and the SFC's performance of its statutory functions; and
- any persons or institutions with which the holders of Hong Kong Offer Shares have or propose to have dealings, such as their bankers, solicitors, accountants or brokers etc.

5. Retention of personal data

The Company and the Hong Kong Share Registrar will keep the personal data of the applicants and holders of Hong Kong Offer Shares for as long as necessary to fulfill the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

6. Access to and correction of personal data

Applicants for and holders of Hong Kong Offer Shares have the right to ascertain whether the Company or the Hong Kong Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. The Company and the Hong Kong Share Registrar have the right to charge a reasonable fee for the processing of such requests. All requests for access to data or correction of data should be addressed to the Company and the Hong Kong Share Registrar, at their registered address disclosed in the section headed "Corporate information" in this Prospectus or as notified from time to time, for the attention of the company secretary, or the Hong Kong Share Registrar for the attention of the privacy compliance officer.

The following is the text of a report set out on pages I-1 to I-67, received from the Company's reporting accountants, KPMG, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.

KPMG

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF NEW GONOW RECREATIONAL VEHICLES INC. AND HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED

Introduction

We report on the historical financial information of New Gonow Recreational Vehicles Inc. (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-67, which comprises the consolidated statements of financial position of the Group as at 31 December 2021, 2022 and 2023 and 30 June 2024, the statements of financial position of the Company as at 31 December 2022 and 2023 and 30 June 2024, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows, for each of the years ended 31 December 2021, 2022 and 2023 and six months ended 30 June 2024 (the "Relevant Periods"), and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-67 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 31 December 2024 (the "Prospectus") in connection with the initial listing of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purpose of the accountants' report, a true and fair view of the Company's financial position as at 31 December 2022 and 2023 and 30 June 2024 and the Group's financial position as at 31 December 2021, 2022 and 2023 and 30 June 2024, and of the Group's financial performance and cash flows for the Relevant Periods in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

Review of stub period corresponding financial information

We have reviewed the stub period corresponding financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six months ended 30 June 2023 and other explanatory information (the "Stub Period Corresponding Financial Information"). The directors of the Company are responsible for the preparation and presentation of the Stub Period Corresponding Financial Information in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Corresponding Financial Information based on our review. We conducted our review 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. A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period

Corresponding Financial Information, for the purpose of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to Note 24(d) to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

No statutory financial statements for the Company

No statutory financial statements have been prepared for the Company since its incorporation.

KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

31 December 2024

HISTORICAL FINANCIAL INFORMATION

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by KPMG Huazhen LLP Shanghai Branch in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December			Six months ended 30 June	
		2021	2022	2023	2023	2024
	Note	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Revenue	4	299,672	498,780	720,303	309,526	421,973
Cost of sales		(249,568)	(416,536)	(539,252)	(238,145)	(287,070)
Gross profit		50,104	82,244	181,051	71,381	134,903
Other income/(loss)	5	8,107	9,115	14,517	7,667	(2,667)
Selling and distribution expenses		(6,479)	(19,316)	(41,547)	(17,255)	(32,184)
Administrative expenses		(12,385)	(21,155)	(36,209)	(14,078)	(35,605)
Research and development expenses		(2,835)	(5,112)	(7,968)	(4,010)	(5,625)
(Provision)/reversal of impairment loss on trade receivables		(9)	(65)	34	7	(21)
Share of profit/(loss) of a joint venture	13	912	1,083	113	(283)	—
Profit from operations		37,415	46,794	109,991	43,429	58,801
Finance costs	6(a)	(3,090)	(2,533)	(2,315)	(1,079)	(4,796)
Profit before taxation	6	34,325	44,261	107,676	42,350	54,005
Income tax	7	(9,245)	(11,305)	(28,908)	(10,702)	(13,575)
Profit for the year/period		25,080	32,956	78,768	31,648	40,430
Attributable to:						
Equity shareholders of the Company		25,080	32,956	79,973	31,648	39,532
Non-controlling interests		—	—	(1,205)	—	898
Profit for the year/period		25,080	32,956	78,768	31,648	40,430
Earnings per share						
Basic and diluted earnings per share *(RMB)*	10	N/A	N/A	N/A	N/A	N/A

	Note	Year ended 31 December			Six months ended 30 June	
		2021	2022	2023	2023	2024
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Other comprehensive income/(loss) for the year/period (after tax and reclassification adjustments)						
Items that are or may be reclassified subsequently to profit or loss:						
Exchange differences on translation of financial statements of overseas subsidiaries		2,551	(803)	1,231	495	(560)
Other comprehensive income/(loss) for the year/period		2,551	(803)	1,231	495	(560)
Total comprehensive income for the year/period		27,631	32,153	79,999	32,143	39,870
Attributable to:						
Equity shareholders of the Company		27,631	32,153	81,107	32,143	38,991
Non-controlling interests		—	—	(1,108)	—	879
Total comprehensive income for the year/period		27,631	32,153	79,999	32,143	39,870

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		At 31 December			At 30 June
		2021	2022	2023	2024
	Note	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets					
Plant and equipment	11	13,029	15,134	19,189	19,690
Right-of-use assets	12	53,666	42,559	50,848	82,531
Intangible assets		21	—	—	107
Investment in a joint venture	13	724	900	—	—
Deferred tax assets	23(b)	10,646	11,811	14,541	19,289
		78,086	70,404	84,578	121,617
Current assets					
Inventories	14	112,443	155,636	242,827	272,374
Trade and other receivables	15	19,710	45,275	46,138	60,939
Prepayments	16	2,934	2,689	6,021	11,554
Restricted cash	17(b)	2,350	4,753	4,889	14,738
Cash and cash equivalents	17(a)	8,797	21,466	14,345	43,882
		146,234	229,819	314,220	403,487
Current liabilities					
Trade and other payables	18	101,589	161,656	240,666	274,399
Contract liabilities	19	4,843	7,596	12,803	7,103
Loans and borrowings	20	26,686	9,117	31,208	104,588
Lease liabilities	21	14,469	23,726	29,016	10,646
Current taxation	23(a)	—	1,251	7,418	10,037
Provisions	22	914	1,896	2,970	3,079
		148,501	205,242	324,081	409,852
Net current (liabilities)/ assets		(2,267)	24,577	(9,861)	(6,365)
Total assets less current liabilities		75,819	94,981	74,717	115,252

		At 31 December			At 30 June
		2021	2022	2023	2024
	Note	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Non-current liabilities					
Loans and borrowings	20	—	—	408	345
Lease liabilities	21	46,862	34,995	43,362	75,826
Provisions	22	1,987	3,032	3,761	3,798
		48,849	38,027	47,531	79,969
NET ASSETS		26,970	56,954	27,186	35,283
CAPITAL AND RESERVES	24				
Share capital		—	—	—	—
Reserves		26,970	56,954	25,282	32,500
Total equity attributable to equity shareholders of the Company		26,970	56,954	25,282	32,500
Non-controlling interests		—	—	1,904	2,783
TOTAL EQUITY		26,970	56,954	27,186	35,283

The accompanying notes form part of the Historical Financial Information.

STATEMENTS OF FINANCIAL POSITION

		At 31 December		At 30 June
		2022	2023	2024
	Note	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets				
Interest in subsidiaries		—	—	—
		—	—	—
Current assets				
Cash and cash equivalents		—	—	—
		—	—	—
Current liabilities				
Trade and other payables		—	—	—
Net current assets		—	—	—
Total assets less current liabilities		—	—	—
NET ASSETS		—	—	—
CAPITAL AND RESERVES				
Share capital		—	—	—
Reserves		—	—	—
TOTAL EQUITY		—	—	—

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		Attributable to equity shareholders of the Company							
		Share capital	Other reserves	Accumulated losses	Net parent Investment (*Note 1*)	Exchange reserve	Sub-total	Non-controlling interests	Total (deficit)/ equity
	Note	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2021		—	—	(37,611)	34,434	—	(3,177)	—	(3,177)
Changes in equity for 2021:									
Profit for the year		—	—	6,077	19,003	—	25,080	—	25,080
Other comprehensive income		—	—	—	—	2,551	2,551	—	2,551
Total comprehensive income		—	—	6,077	19,003	2,551	27,631	—	27,631
Deemed contribution	1	—	—	—	2,516	—	2,516	—	2,516
Balance at 31 December 2021 and 1 January 2022		—	—	(31,534)	55,953	2,551	26,970	—	26,970
Changes in equity for 2022:									
(Loss)/profit for the year		—	—	(1,474)	34,430	—	32,956	—	32,956
Other comprehensive loss		—	—	—	—	(803)	(803)	—	(803)
Total comprehensive income		—	—	(1,474)	34,430	(803)	32,153	—	32,153
Capital contribution converted from debts	20	—	44,191	—	—	—	44,191	—	44,191
Deemed distribution	1	—	—	—	(46,360)	—	(46,360)	—	(46,360)
Balance at 31 December 2022		—	44,191	(33,008)	44,023	1,748	56,954	—	56,954

	Note	Share capital	Other reserves	Accumulated losses	Net parent Investment (Note 1)	Exchange reserve	Sub-total	Non-controlling interests	Total equity/ (deficit)
		Attributable to equity shareholders of the Company							
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2023		—	44,191	(33,008)	44,023	1,748	56,954	—	56,954
Changes in equity for 2023:									
Profit/(loss) for the year		—	—	4,779	75,194	—	79,973	(1,205)	78,768
Other comprehensive income		—	—	—	—	1,134	1,134	97	1,231
Total comprehensive income		—	—	4,779	75,194	1,134	81,107	(1,108)	79,999
Capital injection from a non-controlling shareholder		—	—	—	—	—	—	1,154	1,154
Acquisition of equity interest of a joint venture and become a subsidiary of the Group	13	—	—	—	—	—	—	1,858	1,858
Deemed distribution	1	—	—	—	(112,779)	—	(112,779)	—	(112,779)
Balance at 31 December 2023 and 1 January 2024		—	44,191	(28,229)	6,438	2,882	25,282	1,904	27,186
Changes in equity for the period ended 30 June 2024:									
Profit for the period		—	—	9,513	30,019	—	39,532	898	40,430
Other comprehensive loss		—	—	—	—	(541)	(541)	(19)	(560)
Total comprehensive income		—	—	9,513	30,019	(541)	38,991	879	39,870
Arising from Reorganisation	1	—	4,684	—	(57,513)	—	(52,829)	—	(52,829)
Deemed contribution	1	—	—	—	21,056	—	21,056	—	21,056
Balance at 30 June 2024		—	48,875	(18,716)	—	2,341	32,500	2,783	35,283
(Unaudited)									
Balance at 1 January 2023		—	44,191	(33,008)	44,023	1,748	56,954	—	56,954
Changes in equity for the period ended 30 June 2023:									
Profit for the period		—	—	255	31,393	—	31,648	—	31,648
Other comprehensive income		—	—	—	—	495	495	—	495
Total comprehensive income		—	—	255	31,393	495	32,143	—	32,143
Deemed distribution		—	—	—	(103,498)	—	(103,498)	—	(103,498)
Balance at 30 June 2023		—	44,191	(32,753)	(28,082)	2,243	(14,401)	—	(14,401)

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended 31 December			Six months ended 30 June	
		2021	2022	2023	2023	2024
	Note	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
					(Unaudited)	
Operating activities						
Cash generated from operations	17(c)	19,409	57,784	119,770	108,160	41,234
Income tax paid		—	—	—	—	(5,680)
Net cash generated from operating activities		19,409	57,784	119,770	108,160	35,554
Investing activities						
Payment for purchase of plant and equipment		(4,563)	(6,271)	(7,185)	(1,981)	(3,049)
Proceeds from sale of equipment		64	850	458	7	18
Payment for purchase of intangible assets		—	—	—	—	(110)
Proceeds from sale of intangible assets		—	12	—	—	—
Acquisition of a subsidiary, net of cash acquired	13	—	—	4,024	—	—
Net cash used in investing activities		(4,499)	(5,409)	(2,703)	(1,974)	(3,141)
Financing activities						
Capital contributions from a non-controlling shareholder of a subsidiary		—	—	1,154	—	—
Proceeds from loans and borrowings	17(d)	—	27,893	41,055	11,070	113,985
Repayment of loans and borrowings	17(d)	—	(2,504)	(19,538)	(8,841)	(43,769)
Capital element of lease rentals paid	17(d)	(3,803)	(4,655)	(8,320)	(2,478)	(7,206)
Interest element of lease rentals paid	17(d)	(1,349)	(843)	(887)	(339)	(1,124)
Payment for restricted cash		—	(2,357)	—	—	(2,084)
Payment of listing expenses		—	—	—	—	(1,552)
Payment arising from the Reorganisation	1	—	—	—	—	(52,829)
Deemed distribution	1	(3,818)	(57,415)	(138,265)	(113,962)	(7,966)
Net cash used in financing activities		(8,970)	(39,881)	(124,801)	(114,550)	(2,545)
Net increase/(decrease) in cash and cash equivalents		5,940	12,494	(7,734)	(8,364)	29,868
Cash and cash equivalents at beginning of the year/period	17(a)	3,101	8,797	21,466	21,466	14,345
Effect of foreign exchange rate changes		(244)	175	613	325	(331)
Cash and cash equivalents at end of the year/period	17(a)	8,797	21,466	14,345	13,427	43,882

The accompanying notes form part of the Historical Financial Information.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

1 BASIS OF PREPARATION AND PRESENTATION OF THE HISTORICAL FINANCIAL INFORMATION

New Gonow Recreational Vehicles Inc. (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 Company is an investment holding company and has not carried on any business since the date of its incorporation save for the corporate reorganisation as described below. The Company and its subsidiaries (together the "Group") are principally engaged in the manufacturing and exporting the recreational vehicles ("RVs") to Australia and sales RVs through dealership and stores in Australia and New Zealand (the "Listing Businesses").

During the Relevant Periods and before the completion of the reorganization described below, the Listing Businesses were conducted through various entities controlled by Mr. Miao Xuezhong, Wang Danhong and Miao Wanyi (together, the "Controlling Shareholders"). To rationalize the corporate structure in preparation of the listing of the Company's shares on The Stock Exchange of Hong Kong Limited ("The Stock Exchange"), the Group underwent a reorganisation (the "Reorganisation") as detailed in the section headed "History, Reorganisation and Corporate Structure" in the Prospectus. Upon completion of the Reorganisation in May 2024, the Company became the holding company of the Group. As the Listing Businesses were ultimately controlled by the Controlling Shareholders during the Relevant Periods and both before and after the Reorganisation, the control is not transitory and consequently and there was a continuation of the risks and benefits to Controlling Shareholders. The Reorganisation is therefore treated as a combination of businesses under common control.

Accordingly, the Historical Financial Information has been prepared and presented using the merger basis of accounting as if the current group structure had been in existence and remained unchanged throughout the Relevant Periods. The consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group include the financial performance and cash flows of the Listing Businesses for the Relevant Periods. The consolidated statements of financial position of the Group as at 31 December 2021, 2022 and 2023 and 30 June 2024 have been prepared to present the financial position of the Listing Businesses as at those dates. The assets and liabilities of the Listing Businesses have been measured at their carrying amounts prior to the Reorganisation. Intra-group balances, transactions and unrealized gains/losses on intra-group transactions were eliminated when preparing the Historical Financial Information.

During the Relevant Periods and before the completion of the Reorganisation, certain manufacturing activities of the Listing Businesses were carried out by two entities that were under common control of the Controlling Shareholders but did not become the companies now comprising the Group upon the completion of the Reorganisation. For the purpose of this report, a process has been completed to specifically identify assets, liabilities, revenue, expenses and cash flows of those two entities associated with the Listing Businesses during the Relevant Periods in preparing the Historical Financial Information. The Historical Financial Information only includes transactions and balances that are attributable to the Listing Businesses. Since the manufacturing activities were conducted as a division of the two entities before the Reorganisation, the net parent investment, representing the net assets related to the Listing Businesses which were managed and controlled by these two entities, has been shown in lieu of shareholders' equity in the Historical Financial Information. Transactions and balances were attributed to the Listing Businesses based on specific identification except for those set out below, for which they were accounted for using the most relevant bases in the views of the Directors:

— Staff costs, other administrative and operating expenses have been principally allocated either based on headcount to the extent a separate group of personnel could be specifically identified and attributed to the Listing Businesses, or otherwise allocated based on production volume;

— Income taxes were determined based on the assumptions that the Listing Businesses carried out by the division of the two entities were separately taxable entities. As the income tax has been charged at the legal entity level, the tax payments related to the Listing Businesses carried out by the division of those two entities are regarded as deemed contribution in the consolidated statements of changes in equity and non-cash transactions to the Listing Businesses, amounting to RMB6,334,000, RMB11,055,000, RMB25,486,000, RMB10,464,000 (unaudited) and RMB9,995,000 during the Relevant Periods (Note 23); and

— Cash used by the Listing Businesses which were managed and controlled by those two entities under common control of the Controlling Shareholders, with the net amount of cash used of RMB3,818,000, RMB57,415,000, RMB138,265,000, RMB113,962,000 (unaudited) and RMB7,966,000 during the Relevant Periods for the Listing Businesses are presented as deemed distribution in the consolidated statements of changes in equity and consolidated statements of cash flows.

As part of the Reorganisation, Xing Longtree Automotive Technology (Zhejiang) Co., Ltd. ("Xing Longtree"), a subsidiary of the Group, and Zhejiang Daide Longtree Automobile Co., Ltd. ("Daide Longtree"), an entity controlled by the Controlling Shareholders, entered into an agreement on 13 March 2024, whereby Xing Longtree acquired all of the assets and assumed, except the lease liabilities of RMB19,027,000, all of the liabilities related to the Listing Businesses from Daide Longtree with a cash consideration of RMB52,829,000. The lease liabilities of RMB19,027,000, which was no longer assumed by the Group upon the completion of the transaction on 30 April 2024, is regarded as a deemed contribution in the consolidated statement of changes in equity.

As part of the Reorganisation, Longtree Recreational Vehicles Holdings Limited ("Longtree RV"), a subsidiary of the Group, entered into an agreement on 7 May 2024 to acquire entire equity interest of Regent RV Pty Ltd. ("Regent RV") from Flourishing Emerald International Limited ("Flourishing"), an entity controlled by the Controlling Shareholders. According to the equity transfer agreement, the consideration is Australian Dollar 1,000,000 (equivalent to RMB4,769,000), which was settled by a promissory note granted by Longtree RV in favour of Flourishing for an advance of Australian Dollar 1,000,000. Such advance was subsequently waived by Flourishing in full. Upon completion of this transaction, Regent RV has become a directly wholly-owned subsidiary of the Group.

At the date of the report, the Company has direct or indirect interests in the following subsidiaries, all of which are private companies.

	Place and date of incorporation/ establishment	Registered/issued and fully paid up capital	Percentage of equity attributable to the Company At the date of the report	Principal activities
Subsidiaries				
Direct equity interest held:				
New Gonow Recreational Vehicles Holdings Limited	The BVI 24 May 2022	USD1	100%	Investment holding
Longtree Recreational Vehicles Holdings Limited	The BVI 13 November 2023	USD1	100%	Investment holding
Equity interest held via its subsidiaries:				
New Gonow Recreational Vehicles Limited	Hong Kong 23 November 2023	HK$10,000	100%	Investment holding
Xing Longtree Automotive Technology (Zhejiang) Co., Ltd. 興隆翠汽車科技(浙江)有限公司 (iv)	The PRC 15 January 2024	RMB100,000,000	100%	Sale and production of RVs
Regent RV Pty Ltd. (ii)	Australia 2 September 2014	Australian Dollar 9,300,100	100%	Sale and production of RVs
Snowy River RV Pty Ltd. (ii)	Australia 23 December 2015	Australian Dollar 100	100%	Sales of RVs
Leisure Lion Pty Ltd. (ii)	Australia 11 July 2019	Australian Dollar 100	51%	Sales of RVs
Captivating Caravans Pty Ltd. (ii)	Australia 6 September 2018	Australian Dollar 100	100%	Sales of RVs
United RV Pty Ltd. (ii)	Australia 6 June 2023	Australian Dollar 100	51%	Sales of RVs

Notes:

(i) All companies comprising the Group have adopted 31 December as the financial year end.

(ii) Regent RV Pty Ltd. and its subsidiaries (including Snowy River RV Pty Ltd., Captivating Caravans Pty Ltd., United RV Pty Ltd., and Leisure Lion Pty Ltd., together as "Regent RV Group"). The financial statements of Regent RV for the financial year ended 31 December 2021 and 2022 were audited by Nexia Melbourne Audit Pty Ltd.. The audit of the financial statements of Regent RV Group for the financial year ended 31 December 2023 is under preparation and has not completed yet at the date of the report.

(iii) Except for Regent RV Group, no statutory financial statements have been prepared for the Company and its other subsidiaries for the Relevant Periods.

(iv) The English name of the subsidiary incorporated in the PRC referred to above in this note represent management's best efforts in translating the Chinese name as no English name has been registered or is available.

As at 30 June 2024, the Group had net current liabilities of RMB6,365,000. Based on projection of the Group's profit and cash inflows from operations, the Directors are of the opinion that the Group has sufficient financial resources to continue as a going concern for the next twelve months from the date of this report. Therefore, the Directors are satisfied that it is appropriate to prepare the Historical Financial Information on a going concern basis.

The Historical Financial Information has been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Further details of the material accounting policy information adopted are set out in Note 2.

The HKICPA has issued a number of new and revised HKFRSs. For the purpose of preparing this Historical Financial Information, the Group has consistently adopted all applicable new and revised HKFRSs that are effective during the Relevant Periods, except for any new standards or interpretations that are not yet effective for the Relevant Periods. The revised and new accounting standards and interpretations issued but not yet effective for the Relevant Periods are set out in Note 29.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The accounting policies set out below have been applied consistently to all periods presented in the Historical Financial Information.

The Stub Period Corresponding Financial Information has been prepared in accordance with the same basis of preparation and presentation adopted in respect of the Historical Financial Information.

2 MATERIAL ACCOUNTING POLICIES

(a) Basis of measurement

The measurement basis used in the preparation of the Historical Financial Information is the historical cost basis.

(b) Use of estimates and judgments

The preparation of the Historical Financial Information in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the Historical Financial Information and major sources of estimation uncertainty are discussed in Note 3.

(c) Business combination involving entities under common control

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The assets acquired and liabilities assumed are measured based on their carrying amounts in the financial statements of the ultimate controlling party at the combination date. The difference between the carrying amounts of the net assets acquired and the consideration paid for the combination is adjusted to equity. Any costs directly attributable to the combination are recognised in profit or loss when incurred. The combination date is the date on which one combining entity obtains control of other combining entities.

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the Historical Financial Information from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any non-controlling interests ("NCI") either at fair value or at the NCI's proportionate share of the subsidiary's net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group is presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(i)(iii)), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

(e) Joint ventures

A joint venture is an arrangement in which the Group or the Company has joint control, whereby the Group or the Company has the rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

An interest in a joint venture is accounted for using the equity method, unless it is classified as held for sale (or included in a disposal group classified as held for sale). They are initially recognised at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of those investees, until the date on which significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group's net investment in the joint venture, after applying the ECL model to such other long-term interests where applicable (see Note 2(i)(i)).

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment. When the Group disposes of a joint venture, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(f) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment losses (see Note 2(i)(iii)).

If significant parts of an item of plant and equipment have different useful lives, then they are accounted for as separate items (major components).

Any gain or loss on disposal of an item of plant and equipment is recognised in profit or loss.

Depreciation is calculated to write off the cost or valuation of items of plant and equipment less their estimated residual values, if any, using the straight line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives in the Historical Financial Information are as follows:

Machinery and equipment	5–10 years
Office equipment and furniture	3–5 years
Motor vehicles	4 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(g) Intangible assets

Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the resulting asset. Otherwise, it is recognised in profit or loss as incurred. Capitalised development expenditure is subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Intangible assets are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses (see Note 2(i)(iii)).

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognised in profit or loss.

The estimated useful lives in the Historical Financial Information are as follows:

Software	5 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(h) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less, and leases of low-value items such as laptops and office furniture. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognised using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability, and are charged to profit or loss as incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Notes 2(i)(iii)).

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortised cost. Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification. The only exceptions are rent concessions that occurred as a direct consequence of the COVID-19 pandemic and met the conditions set out in paragraph 46B of HKFRS 16 *Leases*. In such cases, the Group has taken advantage of the practical expedient not to assess whether the rent concessions are lease modifications, and recognised the change in consideration as negative variable lease payments in profit or loss in the period in which the event or condition that triggers the rent concessions occurred.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(i) Credit losses and impairment of assets

(i) Credit losses from financial instruments, contract assets and lease receivables

The Group recognises a loss allowance for expected credit losses ("ECL"s) on:

— financial assets measured at amortised cost (including cash, pledged bank deposits, restricted cash and trade and other receivables that are held for the collection of contractual cash flows which represent solely payments of principal and interest);

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

For undrawn loan commitments, expected cash shortfalls are measured as the difference between (i) the contractual cash flows that would be due to the Group if the holder of the loan commitment draws down on the loan and (ii) the cash flows that the Group expects to receive if the loan is drawn down.

The expected cash shortfalls are discounted using the following rates if the effect is material:

— fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof;

— variable-rate financial assets: current effective interest rate;

— lease receivables: discount rate used in the measurement of the lease receivable;

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

— 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and

— lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

— financial instruments that are determined to have low credit risk at the reporting date; and

— other financial instruments (including loan commitments issued) for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument (including a loan commitment) has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

For loan commitments, the date of initial recognition for the purpose of assessing ECLs is considered to be the date that the Group becomes a party to the irrevocable commitment. In assessing whether there has been a significant increase in credit risk since initial recognition of a loan commitment, the Group considers changes in the risk of default occurring on the loan to which the loan commitment relates.

The Group considers a financial asset to be in default when:

— the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or

— the financial asset is 90 days past due.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

— significant financial difficulties of the debtor;

— a breach of contract, such as a default or being more than 90 days past due;

— the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

— it is probable that the debtor will enter bankruptcy or other financial reorganisation; or

— the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group otherwise determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Credit losses from financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees issued are initially recognised at fair value, which is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss.

The amount initially recognised as deferred income is subsequently amortised in profit or loss over the term of the guarantee as income (see Note 2(s)(v)).

The Group monitors the risk that the specified debtor will default on the contract and remeasures the above liability at a higher amount when ECLs on the financial guarantees are determined to be higher than the carrying amount in respect of the guarantees.

A 12-month ECL is measured unless the risk that the specified debtor will default has increased significantly since the guarantee is issued, in which case a lifetime ECL is measured. The same definition of default and the same assessment of significant increase in credit risk as described in Note 2(i)(i) apply.

As the Group is required to make payments only in the event of a default by the specified debtor in accordance with the terms of the instrument that is guaranteed, an ECL is estimated based on the expected payments to reimburse the holder for a credit loss that it incurs less any amount that the Group expects to receive from the holder of the guarantee, the specified debtor or any other party. The amount is then discounted using the current risk-free rate adjusted for risks specific to the cash flows.

(iii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"s). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(j) Inventories

Inventories are assets which are held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised.

The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(k) Contract liabilities

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see Note 2(s)(i)). A contract liability is also recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such latter cases, a corresponding receivable is also recognised (see Note 2(l)).

(l) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost (see Note 2(i)(i)).

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement. Cash and cash equivalents are assessed for ECL (see Note 2(i)(i)).

(n) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(o) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with Note 2(v).

(p) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring.

(q) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

— temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

— temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

— taxable temporary differences arising on the initial recognition of goodwill; and

— those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(r) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under that contract and an allocation of other costs directly related to fulfilling that contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract (see Note 2(i)(iii)).

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

(s) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under lease in the ordinary course of the Group's business.

Revenue is recognised when control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Sale of goods

The Group is principally engaged in the manufacturing and sale of RVs and parts. Revenue from sale of RVs and parts is recognised at the point in time when the Group transfers control over a product to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. The Group offers warranties for its products for up to five years from the date of sale. A related provision is recognised in accordance with Note 2(r).

(ii) Revenue from rendering of services

Revenue from rendering of services is brought as income when the performance obligation has been satisfied, which is when the related services have been provided.

(iii) Interest income

Interest income is recognised using the effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(iv) Government grants

Government grants are recognised in the consolidated statements of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

(v) Income from financial guarantees issued

Income from financial guarantees issued is recognised over the term of the guarantees (see Note 2(i)(ii)).

(t) Research and development costs

Research and development costs comprise all costs that are directly attributable to research and development activities or that can be allocated on a reasonable basis to such activities. Because of the nature of the Group's research and development activities, the criteria for the recognition of such costs as an asset are generally not met until late in the development stage of the project when the remaining development costs are immaterial. Hence both research costs and development costs are generally recognised as expenses in the period in which they are incurred.

(u) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into RMB at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into RMB at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the exchange reserve, except to the extent that the translation difference is allocated to NCI.

(v) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

(w) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third party.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(x) Segment reporting

Operating segments, and the amounts of each segment item reported in the Historical Financial Information, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 ACCOUNTING JUDGEMENTS AND ESTIMATES

As detailed in Note 1, for those transactions and balances that cannot be attributed to the Listing Businesses based on specific identification, allocations were made based on the most relevant allocation bases in the views of the Directors. The Directors believe that these allocation bases are reasonable.

Key sources of estimation uncertainty in the process of applying the Group's accounting policies are as follows:

(a) Impairment of trade and other receivables

The Group's management determines the loss allowance for expected credit losses on trade and other receivables based on an assessment of the present value of all expected cash shortfalls. These estimates are based on the information about past events, current conditions and forecasts of future economic conditions. The Group's management reassesses the loss allowance at each reporting period end.

(b) Net realizable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated distribution expenses and related taxes. These estimates are based on the current market condition and historical experience of selling products of similar nature. It could change significantly as a result of competitor actions in response to changes in market conditions. Any change in the assumptions would increase or decrease the amount of inventories write-down or the related reversals of write-downs and affect the Group's profit or loss and net asset value.

(c) Determine the lease term

As explained in policy Note 2(h), the lease liability is initially recognised at the present value of the lease payments payable over the lease term. In determining the lease term at the commencement date for leases that include renewal options exercisable by the Group, the Group evaluates the likelihood of exercising the renewal options taking into account all relevant facts and circumstances that create an economic incentive for the Group to exercise the option, including favorable terms, leasehold improvements undertaken and the importance of that underlying asset to the Group's operation. The lease term is reassessed when there is a significant event or significant change in circumstance that is within the Group's control. Any increase or decrease in the lease term would affect the amount of lease liabilities and right-of-use assets recognised in future years.

(d) Income tax

Determine income tax provisions involves judgement on the future tax treatment of certain transactions. The management carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of these transactions is reconsidered periodically to take into account changes in tax legislations. Deferred tax assets are recognised for deductible temporary differences and cumulative tax losses.

As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profit will be available against which they can be utilised, management's judgement is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered.

(e) Warranty provisions

As explained in Note 2(r), the Group makes provisions under the warranties it gives on sale of its RVs taking into account the Group's recent claim experience. As the Group is continually upgrading its product designs and launching new models it is possible that the recent claim experience is not indicative of future claims that it will receive in respect of past sales. Any increase or decrease in the provision would affect profit or loss in future years.

4 REVENUE AND SEGMENT REPORTING

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

(a) Revenue

(i) Disaggregation of revenue

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

	Year ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Revenue from contracts with customers within the scope of HKFRS 15					
Disaggregated by major products or service lines					
— Sale of RVs	298,586	498,116	710,747	309,526	396,893
— Sale of pre-owned RVs	—	—	8,691	—	23,396
— Others	1,086	664	865	—	1,684
	299,672	498,780	720,303	309,526	421,973
Disaggregated by timing of revenue recognition					
Point in time	299,672	498,780	720,303	309,526	421,973

(ii) Information about major customers

During the Relevant Periods, the Group's customers with whom transactions have exceeded 10% of the Group's revenue in the respective years are as follows. Details of concentrations of credit risk of the Group are set out in Note 25(a).

	Year ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Company A	78,588	136,028	181,140	80,732	100,435
Company B	62,968	90,639	NA*	NA*	NA*
Company C	43,530	70,789	75,000	35,509	NA*
Company D	30,372	NA*	NA*	NA*	NA*
Company E	NA*	NA*	NA*	32,366	NA*
	215,458	297,456	256,140	148,607	100,377

* *Less than 10% of the Group's revenue in the respective year.*

The Group has also applied the practical expedient in paragraph 121(a) of HKFRS 15 of not disclosing the transaction price allocated to the remaining performance obligations as the original expected duration of the contracts for sales of RVs are within one year or less.

(b) Segment reporting

(i) Segment information

HKFRS 8, Operating Segments, requires identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the Company's chief operating decision maker for the purpose of resources allocation and performance assessment. The Group manages its businesses as a whole by the most senior executive management for the purposes of resource allocation and performance assessment. The Group's chief operating decision maker is the chief executive officer of the Group who reviews the Group's consolidated results of operations in assessing performance of and making decisions about allocations to this segment. On this basis, the Company has determined that it only has one operating segment.

Geographic information

The geographical information of the revenue based on the country at which RVs are sold is as follows:

	Year ended 31 December			Six months ended 30 June	
	2021	**2022**	**2023**	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Australia	280,331	471,037	675,987	291,106	400,332
New Zealand	19,341	27,743	44,316	18,420	21,641
	299,672	498,780	720,303	309,526	421,973

(ii) Non-current assets

The geographical information of the non-current assets (excluding deferred tax assets and investment in a joint venture) based on the country at which these assets locate is as follows:

	At 31 December			At 30 June
	2021	**2022**	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Australia	22,068	16,640	33,340	68,665
PRC	44,648	41,053	36,697	33,663
	66,716	57,693	70,037	102,328

5 OTHER NET INCOME/(LOSS)

	Year ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Interest income	1	8	39	18	26
Government grants (i)	1,103	1,603	—	—	—
Net loss on sale of equipment	—	(617)	—	—	(25)
Lease modification (ii)	6,704	—	—	—	—
Foreign exchange gain/(loss)	98	7,544	14,017	7,772	(2,464)
Others	201	577	461	(123)	(204)
	8,107	9,115	14,517	7,667	(2,667)

Notes:

(i) Government grants represent various forms of incentives and subsidies granted to the Group by the local government authorities in the PRC.

(ii) In June 2021, the Group made modification of one of lease contracts, to shorten the lease term from 10 years to 6 years. As a result of the modification, there was a disposal of right-of-use assets and lease liabilities (Note 12) and the relevant disposal income is RMB6,704,000.

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) Finance costs

	Year ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Interest on loans and borrowings	—	141	79	40	3,076
Interest expense on lease liabilities	3,090	2,392	2,236	1,039	1,720
	3,090	2,533	2,315	1,079	4,796

(b) Staff costs

	Year ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Salaries, wages and other benefits	54,270	83,123	134,160	57,251	68,713
Contributions to defined contribution retirement plans *(Notes (i), (ii) and (iii))*	3,411	5,728	9,748	4,109	5,663
	57,681	88,851	143,908	61,360	74,376

Notes:

(i) The employees of the subsidiaries of the Group established in the PRC participate in defined contribution retirement benefit schemes managed by the local government authorities, whereby these subsidiaries are required to contribute to the schemes at rates range from 16% to 20% of the employees' basic salaries during the Relevant Periods. Employees of these subsidiaries are entitled to receive retirement benefits, calculated based on a percentage of the average salaries level in the PRC, from the above mentioned retirement schemes at their normal retirement age. The Group has no other material obligation for payment of other retirement benefits beyond the above contributions.

(ii) The subsidiaries of the Group established in Australia are required to contribute certain percentage of its employee's ordinary time earnings into superannuation funds in accordance with superannuation legislation. The percentage was 10% applied on 1 Jul 2021 and increase by 0.5% every year thereafter on 1 Jul of each year until the rate reaches 12%. Such contributions are fully and immediately vested in employees once made. Contributions to defined contribution fund are recognised as an expense as they become payable.

(iii) The Group has no other material obligation for payment of pension benefits beyond the annual contributions described above.

(c) Other items

	Year ended 31 December			Six months ended 30 June	
	2021	**2022**	**2023**	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Other items:					
Amortisation cost of intangible assets	17	10	—	—	4
Depreciation charges					
— plant and equipment *(Note 11)*	2,153	2,769	4,109	1,768	2,376
— right-of-use assets *(Note 12)*	10,118	11,563	12,153	5,800	8,115
Short-term leases charges *(Note 12)*	440	428	429	214	1,177
Increase in provisions *(Note 22)*	3,158	5,502	7,065	2,993	5,412
Listing expenses	—	—	—	—	15,305
Cost of inventories *(Note 14(b))*	249,568	416,536	539,252	238,145	287,070

Notes:

(i) During the Relevant Periods, cost of inventories included staff costs of RMB43,458,000, RMB61,172,000, RMB93,774,000 and RMB41,993,000, depreciation and amortisation expenses of RMB1,808,000, RMB2,129,000, RMB2,730,000 and RMB1,323,000, which amounts are also included in the respective total amounts disclosed in Notes 6(b) and 6(c).

(ii) During the Relevant Periods, research and development expenses included staff costs of RMB2,782,000, RMB4,756,000, RMB7,827,000 and RMB5,217,000, which is also included in the total amounts disclosed in Note 6(b).

7 INCOME TAX

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

	Year ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Current tax					
Provision for the year/period	6,334	12,296	31,418	10,464	18,451
Deferred tax					
Reversal/(origination) of temporary differences	2,911	(991)	(2,510)	238	(4,876)
Income tax expense	9,245	11,305	28,908	10,702	13,575

(b) Reconciliation between income tax expense and profit before taxation at applicable tax rates:

	Year ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Profit before taxation	34,325	44,261	107,676	42,350	54,005
Notional tax on profit before taxation calculated at the rates applicable to profits in the jurisdiction concerned *(Notes (i), (ii), (iii) and (iv))*	7,202	11,305	28,172	10,702	13,570
Tax effect of non-deductible expenses	2,043	—	—	—	5
Tax effect of temporary differences and tax losses not recognised in current year/period	—	—	736	—	—
	9,245	11,305	28,908	10,702	13,575

Notes:

(i) Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.

(ii) No provision for Hong Kong Profits Tax has been made, as the subsidiary of the Group incorporated in Hong Kong did not have assessable profits which are subject to Hong Kong Profits Tax during the Relevant Periods.

(iii) The subsidiary of the Group established in the PRC (excluding Hong Kong) is subject to PRC Corporate Income Tax ("CIT") rate at 25% during the Relevant Periods.

(iv) The subsidiaries of the Group established in Australia are subject to the standard income tax rate of 30% on its taxable income, in accordance with the relevant Australia Income Tax Assessment Act.

8 DIRECTORS' EMOLUMENTS

For the directors as at the date of this report, their emoluments for the Relevant Periods are as follows:

	Year ended 31 December 2021				
	Directors' fee	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Chairman:					
Mr. Miao Xuezhong (i)	—	—	—	—	—
Executive directors:					
Mrs. Liu Qin (ii)	—	157	18	11	186
Mr. Andrew Robert Crank (ii)	—	701	200	99	1,000
	—	858	218	110	1,186

	Year ended 31 December 2022				
	Directors' fee	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Chairman:					
Mr. Miao Xuezhong (i)	—	—	—	—	—
Executive directors:					
Mrs. Liu Qin (ii)	—	210	24	11	245
Mr. Andrew Robert Crank (ii)	—	795	299	120	1,214
	—	1,005	323	131	1,459

	Year ended 31 December 2023				
	Directors' fee	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Chairman:					
Mr. Miao Xuezhong (i)	—	—	—	—	—
Executive directors:					
Mr. Liu Tao (iii)	—	625	62	77	764
Mrs. Liu Qin (ii)	—	363	29	11	403
Mr. Andrew Robert Crank (ii)	—	798	375	129	1,302
	—	1,786	466	217	2,469

	Six months ended 30 June 2024				
	Directors' fee	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Chairman:					
Mr. Miao Xuezhong (i)	—	—	—	—	—
Executive directors:					
Mr. Liu Tao (iii)	—	430	45	55	530
Mrs. Liu Qin (ii)	—	168	12	7	187
Mr. Andrew Robert Crank (ii)	—	563	188	83	834
	—	1,161	245	145	1,551

	Six months ended 30 June 2023 (unaudited)				
	Directors' fee	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Chairman:					
Mr. Miao Xuezhong (i)	—	—	—	—	—
Executive directors:					
Mr. Liu Tao (iii)	—	229	21	18	268
Mrs. Liu Qin (ii)	—	164	14	3	181
Mr. Andrew Robert Crank (ii)	—	398	187	64	649
	—	791	222	85	1,098

Notes:

(i) Mr. Miao Xuezhong was appointed as the director of the Company on 17 May 2022.

(ii) Mrs. Liu Qin and Mr. Andrew Robert Crank were appointed as the director of the Company on 22 May 2024.

(iii) Mr. Liu Tao joined the Group on 20 March 2023 and was appointed as the director of the Company on 22 May 2024.

(iv) The emoluments shown above represent the remuneration they have received in the capacity as employees of the Group during the Relevant Periods. During the Relevant Periods, no emoluments were paid by the Group to the director as an inducement to join or upon joining the Group or as compensation for loss of office. No director of the Group waived or agreed to waive any emoluments during the Relevant Periods.

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments during the years ended 31 December 2021, 2022 and 2023, and six months ended 30 June 2023 and 2024, only one, one, one, one (unaudited) and two are directors, respectively, whose emoluments are disclosed in Note 8. The aggregate of the emoluments in respect of the remaining four, four, four, four (unaudited) and three individuals during the years ended 31 December 2021, 2022 and 2023, and six months ended 30 June 2023 and 2024 are as follows:

	Year ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Salaries and other emoluments	2,668	2,815	3,026	1,509	1,162
Discretionary bonuses	150	154	188	94	—
Retirement scheme contributions	310	327	353	176	128
	3,128	3,296	3,567	1,779	1,290

The emoluments of the four, four, four, four (unaudited) and three individuals with the highest emoluments are within the following bands:

	Year ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
HK$Nil to HK$1,000,000	2	3	2	4	3
HK$1,000,001 to HK$1,500,000	2	1	2	—	—
	4	4	4	4	3

10 EARNINGS PER SHARE

Earnings per share information is not presented as its inclusion for the purpose of this report is not considered meaningful due to the Reorganisation and the preparation of the results of the Group for the Relevant Periods on the basis as disclosed in Note 1.

11 PLANT AND EQUIPMENT

	Machinery and equipment	Office equipment and furniture	Motor vehicles	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:					
At 1 January 2021	17,010	547	716	—	18,273
Additions	3,443	565	555	—	4,563
Disposals	(57)	(10)	—	—	(67)
Exchange adjustments	(335)	(33)	(81)	—	(449)
At 31 December 2021 and 1 January 2022	20,061	1,069	1,190	—	22,320
Additions	3,674	1,428	1,169	—	6,271
Disposals	(654)	(1,273)	(445)	—	(2,372)
Exchange adjustments	87	8	29	—	124
At 31 December 2022 and 1 January 2023	23,168	1,232	1,943	—	26,343
Additions	4,010	1,174	2,001	—	7,185
Disposals	—	(31)	(724)	—	(755)
Addition through acquisition of a subsidiary	454	190	535	—	1,179
Exchange adjustments	217	54	128	—	399
At 31 December 2023 and 1 January 2024	27,849	2,619	3,883	—	34,351
Additions	1,054	612	308	1,075	3,049
Disposals	(210)	(4)	—	—	(214)
Exchange adjustments	(114)	(17)	(62)	—	(193)
At 30 June 2024	28,579	3,210	4,129	1,075	36,993

	Machinery and equipment	Office equipment and furniture	Motor vehicles	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Accumulated depreciation:					
At 1 January 2021	(6,807)	(264)	(272)	—	(7,343)
Charge for the year	(1,828)	(185)	(140)	—	(2,153)
Written back on disposals	1	2	—	—	3
Exchange adjustments	151	23	28	—	202
At 31 December 2021 and 1 January 2022	(8,483)	(424)	(384)	—	(9,291)
Charge for the year	(2,125)	(343)	(301)	—	(2,769)
Written back on disposals	404	488	13	—	905
Exchange adjustments	(40)	(4)	(10)	—	(54)
At 31 December 2022 and 1 January 2023	(10,244)	(283)	(682)	—	(11,209)
Charge for the year	(2,654)	(634)	(821)	—	(4,109)
Written back on disposals	—	3	294	—	297
Exchange adjustments	(87)	(17)	(37)	—	(141)
At 31 December 2023 and 1 January 2024	(12,985)	(931)	(1,246)	—	(15,162)
Charge for the period	(1,618)	(337)	(421)	—	(2,376)
Written back on disposals	168	3	—	—	171
Exchange adjustments	43	5	16	—	64
At 30 June 2024	(14,392)	(1,260)	(1,651)	—	(17,303)
Net book value:					
At 31 December 2021	11,578	645	806	—	13,029
At 31 December 2022	12,924	949	1,261	—	15,134
At 31 December 2023	14,864	1,688	2,637	—	19,189
At 30 June 2024	14,187	1,950	2,478	1,075	19,690

12 RIGHT-OF-USE ASSETS

	Properties leased for own use carried at cost
	RMB'000
Cost:	
At 1 January 2021	41,080
Additions	42,461
Lease modification	(19,371)
Exchange adjustments	(2,512)
At 31 December 2021 and 1 January 2022	61,658
Additions	136
Exchange adjustments	440
At 31 December 2022 and 1 January 2023	62,234
Addition through acquisition of a subsidiary	2,844
Additions	16,769
Exchange adjustments	1,382
At 31 December 2023 and 1 January 2024	83,229
Additions	39,725
Disposals	(19,626)
Exchange adjustments	(194)
At 30 June 2024	103,134
Accumulated depreciation:	
At 1 January 2021	(10,270)
Charge for the year	(10,118)
Lease modification	11,873
Exchange adjustments	523
At 31 December 2021 and 1 January 2022	(7,992)
Charge for the year	(11,563)
Exchange adjustments	(120)
At 31 December 2022 and 1 January 2023	(19,675)
Charge for the year	(12,153)
Exchange adjustments	(553)
At 31 December 2023 and 1 January 2024	(32,381)
Charge for the period	(8,115)
Written back on disposals	19,626
Exchange adjustments	267
At 30 June 2024	(20,603)
Net book value:	
At 31 December 2021	53,666
At 31 December 2022	42,559
At 31 December 2023	50,848
At 30 June 2024	82,531

The Group leases various office buildings, stores and warehouses in the PRC and Australia. Rental contracts are typically entered into for fixed periods of 3 to 10 years.

(a) The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	Year ended 31 December			Six months ended 30 June	
	2021	**2022**	**2023**	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Depreciation charges of right-of-use assets	10,118	11,563	12,153	5,800	8,115
Interest on lease liabilities *(Note 6(a))*	3,090	2,392	2,236	1,039	1,720
Expense relating to short-term leases	440	428	429	214	1,177

Details of total cash outflow for leases, the maturity analysis of lease liabilities and the future cash outflows arising from leases that are not yet commenced are set out in Note 17(e) and Note 21 respectively.

13 INTEREST IN A JOINT VENTURE

Details of the Group's interest in a joint venture, which is accounted for using the equity method in the consolidated financial statements, are as follows:

				As at 31 December 2021 and 2022 Proportion of ownership interest			
Name of joint venture	**Form of business structure**	**Place of incorporation and business**	**Particulars of issued and paid up capital**	**Group's effective interest**	**Held by the Company**	**Held by a subsidiary**	**Principal activity**
Leisure Lion Pty Ltd.	Incorporated	Queensland Australia	100 Australian Dollar	50%	0%	50%	Sales of RVs

On 11 July 2019, Leisure Lion Pty Ltd. was established by the Croup together with Green RV Pty Ltd. in Australia under the joint venture agreement.

On 13 September 2023, the Group acquired additional 1% shares of Leisure Lion Pty Ltd. from Green RV Pty Ltd. for cash consideration of Australian Dollar 15,000 (equivalent to RMB73,000). After the acquisition, Leisure Lion Pty Ltd. ("Leisure Lion") became a subsidiary with 51% interest held by the Group. Leisure Lion contributed revenue of RMB34,004,000 and loss of RMB327,000 to the Group's result since the acquisition date. If the acquisition had occurred on 1 January 2023, the consolidated revenue and net profit of the Group would be RMB733,054,000 and RMB86,029,000, respectively. In determining these amounts, the Directors have assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2023.

(i) The following summarises the fair value amounts of assets acquired and liabilities assumed at the date of acquisition:

	RMB'000
Cash	4,097
Trade and other receivables	5,542
Prepayments	215
Inventories	47,382
Equipment	1,179
Right-of-use assets	2,844
Loans and borrowings	(10)
Trade and other payables	(54,498)
Lease liabilities	(2,960)
Total identifiable net assets acquired	3,791
51% share of identifiable net assets	1,933

The fair value of inventories is determined based on the estimated selling price in the ordinary course of the business less the estimated costs of sales. The fair values of other assets and liabilities recognised on acquisition are approximated to their carrying amounts.

(ii) Total consideration transferred

	RMB'000
Cash	73
Add: carrying amount of the Group's previously held equity interest in Leisure Lion at the date of acquisition	1,860
	1,933

(iii) Analysis of the net cash flow in respect of the acquisition

	RMB'000
Cash consideration paid	(73)
Add: cash acquired	4,097
Net cash inflow in acquisition	4,024

14 INVENTORIES

(a) Inventories in the consolidated statements of financial position comprise:

	At 31 December			At 30 June
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	35,967	43,359	88,431	42,775
Work in process	79,587	92,815	72,680	109,846
Finished goods	3,217	24,095	86,996	127,332
Sub-total	118,771	160,269	248,107	279,953
Less: Provision for impairment of inventories	(6,328)	(4,633)	(5,280)	(7,579)
Total	112,443	155,636	242,827	272,374

(b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	Year ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Carrying amount of inventories sold	243,240	411,903	533,972	233,605	279,491
Write-down of inventories	6,328	4,633	5,280	4,540	7,579
Total	249,568	416,536	539,252	238,145	287,070

15 TRADE AND OTHER RECEIVABLES

	At 31 December			At 30 June
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	19,421	43,043	39,918	48,067
Tax receivable	—	—	—	5,523
Relocation subsidy receivable	—	—	—	2,477
Others	289	2,232	6,220	4,872
	19,710	45,275	46,138	60,939

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 Relevant Periods, the ageing analysis of trade receivables, based on the invoice date and net of loss allowance, is as follows:

	At 31 December			At 30 June
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 90 days	19,421	42,971	39,918	47,994
More than 90 days less than 180 days	—	72	—	73
	19,421	43,043	39,918	48,067

Trade receivables are due within 21 to 90 days from the date of billing, therefore details of the Group's credit policy and credit risk arising from trade receivable are set out in Note 25(a).

16 PREPAYMENTS

	At 31 December			At 30 June
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Prepayments for:				
— purchases of materials	2,699	1,687	3,369	4,366
— purchases of services	235	1,002	2,652	2,927
— listing expenses	—	—	—	4,261
	2,934	2,689	6,021	11,554

17 CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents

	At 31 December			At 30 June
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash at banks	8,797	21,466	14,345	43,882

(b) Restricted cash

At 31 December 2021, 2022 and 2023 and 30 June 2024, the Group's restricted cash of RMB2,350,000, RMB4,753,000, RMB4,889,000 and RMB14,738,000 were restricted for the purpose of leasing deposits and bank deposits pledged as guarantees of the loans and borrowings from an independent third-party financial institution (Note 20).

(c) Reconciliation of profit before taxation to cash generated from operations:

	Year ended 31 December			Six months ended 30 June	
	2021	**2022**	**2023**	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Profit before taxation	34,325	44,261	107,676	42,350	54,005
Adjustments for:					
Depreciation and amortization	12,288	14,342	16,262	7,568	10,495
Finance costs	3,090	2,533	2,315	1,079	4,796
Net loss on sale of equipment	—	617	—	—	25
Lease modification	(6,704)	—	—	—	—
Share of (profits)/loss of a joint venture	(912)	(1,083)	(113)	283	—
Foreign exchange loss/(gain)	1,602	(871)	(933)	(885)	(91)
Changes in working capital:					
Increase in inventories	(62,696)	(43,193)	(39,809)	(12,319)	(29,547)
(Increase)/decrease in trade and other receivables	(3,652)	(23,914)	5,968	(10,704)	(14,801)
Decrease/(increase) in prepayments	931	245	(3,039)	(7,075)	(5,533)
Increase in restricted cash	—	—	—	—	(7,846)
Increase in trade and other payables	58,448	60,067	24,512	88,566	35,285
(Decrease)/increase in contract liabilities	(18,257)	2,753	5,207	(837)	(5,700)
Increase in provision for product warranties	946	2,027	1,724	134	146
Cash generated from operations	19,409	57,784	119,770	108,160	41,234

(d) Reconciliation of liabilities arising from financing activities:

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statements of cash flows as cash flows from financing activities.

	Loans and borrowings (*Note 20*)	Lease liabilities (*Note 21*)	Accrual for capitalised listing expenses (included in trade and other payables) (*Note 18*)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2021	28,971	37,479	—	66,450
Changes from financing cash flows:				
Capital element of lease rentals paid	—	(3,803)	—	(3,803)
Interest element of lease rentals paid	—	(1,349)	—	(1,349)
Total changes from financing cash flows	—	(5,152)	—	(5,152)
Exchange adjustments	(2,285)	(2,345)	—	(4,630)
Other changes:				
Increase in lease liabilities from entering into new leases during the year	—	42,461	—	42,461
Lease modification	—	(14,202)	—	(14,202)
Interest expenses (*Note 6(a)*)	—	3,090	—	3,090
Total other changes	—	31,349	—	31,349

	Loans and borrowings *(Note 20)* *RMB'000*	Lease liabilities *(Note 21)* *RMB'000*	Accrual for capitalised listing expenses (included in trade and other payables) *(Note 18)* *RMB'000*	Total *RMB'000*
At 31 December 2021 and 1 January 2022	26,686	61,331	—	88,017
Changes from financing cash flows:				
Proceeds from loans and borrowings	27,893	—	—	27,893
Repayment of loans and borrowings	(2,504)	—	—	(2,504)
Capital element of lease rentals paid	—	(4,655)	—	(4,655)
Interest element of lease rentals paid	—	(843)	—	(843)
Total changes from financing cash flows	25,389	(5,498)	—	19,891
Exchange adjustments	1,092	360	—	1,452
Other changes:				
Capital contribution converted from debts (i)	(44,191)	—	—	(44,191)
Increase in lease liabilities from entering into new leases during the year	—	136	—	136
Interest expenses *(Note 6(a))*	141	2,392	—	2,533
Total other changes	(44,050)	2,528	—	(41,522)

	Loans and borrowings *(Note 20)* *RMB'000*	Lease liabilities *(Note 21)* *RMB'000*	Accrual for capitalised listing expenses (included in trade and other payables) *(Note 18)* *RMB'000*	Total *RMB'000*
At 31 December 2022 and 1 January 2023	9,117	58,721	—	67,838
Changes from financing cash flows:				
Proceeds from loans and borrowings	41,055	—	—	41,055
Repayment of loans and borrowings	(19,538)	—	—	(19,538)
Capital element of lease rentals paid	—	(8,320)	—	(8,320)
Interest element of lease rentals paid	—	(887)	—	(887)
Total changes from financing cash flows	21,517	(9,207)	—	12,310
Exchange adjustments	893	899	—	1,792
Other changes:				
Additions through acquisition of a subsidiary	10	2,960	—	2,970
Increase in lease liabilities from entering into new leases during the year	—	16,769	—	16,769
Interest expenses *(Note 6(a))*	79	2,236	—	2,315
Total other changes	89	21,965	—	22,054

	Loans and borrowings (Note 20) RMB'000	Lease liabilities (Note 21) RMB'000	Accrual for capitalised listing expenses (included in trade and other payables) (Note 18) RMB'000	Total RMB'000
At 31 December 2023 and 1 January 2024	31,616	72,378	—	103,994
Changes from financing cash flows:				
Proceeds from loans and borrowings	113,985	—	—	113,985
Repayment of loans and borrowings	(43,769)	—	—	(43,769)
Capital element of lease rentals paid	—	(7,206)	—	(7,206)
Interest element of lease rentals paid	—	(1,124)	—	(1,124)
Payment for listing expenses	—	—	(1,552)	(1,552)
Total changes from financing cash flows	70,216	(8,330)	(1,552)	60,334
Exchange adjustments	25	6	—	31
Other changes:				
Arising from Reorganisation and deemed contribution *(Note 1)*	—	(19,027)	—	(19,027)
Increase in lease liabilities from entering into new leases during the period	—	39,725	—	39,725
Interest expenses *(Note 6(a))*	3,076	1,720	—	4,796
Capitalisation of listing expense *(Note 16)*	—	—	4,261	4,261
Total other changes	3,076	22,418	4,261	29,755
At 30 June 2024	104,933	86,472	2,709	194,114

(i) In 2022, the Group's loans from Flourishing Emerald International Limited, amounting to Australian Dollar 9,300,000 (equivalent to RMB44,191,000), was converted to Regent RV Pty Ltd.'s capital.

(e) Total cash outflow for leases

Amounts included in the consolidated statements of cash flow for leases comprise the following:

	Year ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Within operating cash flows	440	428	429	214	1,177
Within financing cash flows	5,152	5,498	9,207	2,817	8,330
	5,592	5,926	9,636	3,031	9,507

These amounts relate to the following:

	Year ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Lease rentals paid	5,592	5,926	9,636	3,031	9,507
	5,592	5,926	9,636	3,031	9,507

18 TRADE AND OTHER PAYABLES

	At 31 December			At 30 June
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Bills payable	3,280	3,000	4,760	9,270
Trade payables due to				
— related parties	7,562	7,658	6,545	6,542
— third parties	78,113	133,454	197,540	209,581
Sub-total	88,955	144,112	208,845	225,393
Accrued payroll and other benefits	7,079	11,566	21,513	17,608
Value added tax and sundry taxes payable	3,113	5,489	7,435	11,516
Listing expense payable	—	—	—	12,017
Accrued expense	1,810	—	2,468	7,670
Other payables	632	489	405	195
	101,589	161,656	240,666	274,399

As at the end of the Relevant Periods, 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:

	At 31 December			At 30 June
	2021	**2022**	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	88,572	143,286	203,499	220,690
1 year to 2 years	383	826	4,561	4,696
2 years to 3 years	—	—	785	7
	88,955	144,112	208,845	225,393

19 CONTRACT LIABILITIES

	At 31 December			At 30 June
	2021	**2022**	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Advances from customers	4,843	7,596	12,803	7,103
	4,843	7,596	12,803	7,103

Movements in contract liabilities

	Year ended 31 December			Six months ended 30 June	
	2021	**2022**	**2023**	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
At the beginning of the year/period	—	4,843	7,596	7,596	12,803
Decrease in contract liabilities as a result of recognising revenue during the year/period that was included in the contract liabilities at the beginning of the year/period	—	(4,843)	(7,596)	(7,596)	(12,803)
Increase in contract liabilities as a result of advances from customers	4,843	7,596	12,803	6,759	7,103
Balance at the end of the year/period	4,843	7,596	12,803	6,759	7,103

All of the contract liabilities are expected to be recognised as income within one year.

20 LOANS AND BORROWINGS

The analysis of the carrying amount of loans and borrowings in the consolidated statements of financial position is as follows:

	At 31 December			At 30 June
	2021	**2022**	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current				
Unsecured related party loans (i)	26,686	—	—	35,474
Secured loans and borrowings (ii)	—	9,117	31,208	69,114
	26,686	9,117	31,208	104,588
Non-current				
Unsecured bank loans (iii)	—	—	408	345
Total	26,686	9,117	31,616	104,933

Notes:

(i) Related party loans as at 31 December 2021 were unsecured interest-free loans provided by Flourishing Emerald International Limited and were payable on demand and were converted into capital of Regent RV Pty Ltd. in April 2022.

Zhejiang Bing Huodi Technology Service Co., Ltd. provided facility amount of RMB60,000,000 to the Group with fixed interest rate of 5.00% per annum and payable within one year from the date of draw down. As at 30 June 2024, the Group cumulatively drew down amount of RMB35,474,000.

(ii) The secured short-term borrowings were provided by an independent third-party financial institution under Dealer Floor Plan Financing (as described in Note 25(c)) with interest rate of Rabo Prime Rate + 2.09% and secured by the RVs under the sales arrangements between two of the subsidiaries within the Group.

(iii) Unsecured bank loans were provided by a commercial bank with fixed interest rates of 6.98% and 7.04% per annum and repayable by instalments in five years.

21 LEASE LIABILITIES

As at the end of the Relevant Periods, the lease liabilities were repayable as follows:

	At 31 December			At 30 June
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	14,469	23,726	29,016	10,646
1 year to 2 years	12,142	10,301	6,615	10,178
2 years to 5 years	21,076	16,036	21,915	33,169
After 5 years	13,644	8,658	14,832	32,479
	46,862	34,995	43,362	75,826
	61,331	58,721	72,378	86,472

22 PROVISIONS

	At 31 December			At 30 June
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current				
Product warranty provision	914	1,896	2,970	3,079
Non-current				
Product warranty provision	1,987	3,032	3,761	3,798
Total	2,901	4,928	6,731	6,877

The movement of product warranty provision during the Relevant Periods is as follows:

	At 31 December			At 30 June
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of the year/period	1,955	2,901	4,928	6,731
Additional provisions made	3,158	5,502	7,065	5,412
Provisions utilised	(2,009)	(3,548)	(5,457)	(5,154)
Exchange adjustments	(203)	73	195	(112)
At end of the year/period	2,901	4,928	6,731	6,877
Less: amount included under "current liabilities"	(914)	(1,896)	(2,970)	(3,079)
	1,987	3,032	3,761	3,798

A provision for warranties is recognised when the underlying products are sold. Under the terms of the Group's sales agreements, the Group offers warranties for the RVs (see Note 2(r)). Provision is therefore made for the best estimate of the expected settlement under these agreements in respect of sales made within the warranty periods prior to the end of the reporting period. The amount of provision takes into account the Group's recent claim experience, historical warranty data and a weighting of all possible outcomes against their associate probabilities.

23 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the consolidated statements of financial position

	Year ended 31 December			Six months ended 30 June	
	2021	**2022**	**2023**	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
At beginning of the year/period	—	—	1,251	1,251	7,418
Provision for PRC income tax	6,334	11,055	25,486	10,464	14,710
Provision for overseas tax	—	1,241	5,932	—	3,741
Provisional Profits Tax paid	—	—	—	—	(5,680)
Deemed contribution *(Note 1)*	(6,334)	(11,055)	(25,486)	(10,464)	(9,995)
Exchange adjustments	—	10	235	—	(157)
At end of the year/period	—	1,251	7,418	1,251	10,037

(b) Deferred tax assets and liabilities recognised

(i) Movement of each component of deferred tax assets and liabilities

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the Relevant Periods are as follows:

	Right-of-use assets	Lease liabilities	Credit loss allowances	Impairment of inventory	Provision for product warranties	Accrued payroll	Deductible tax losses	Unrealized gains from intra-group transactions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2021	(9,243)	11,244	3	247	587	568	11,119	—	14,525
Credited/(charged) to profit or loss	2,989	(4,548)	3	334	345	355	(3,462)	1,073	(2,911)
Exchange adjustments	597	(686)	(1)	(34)	(62)	(60)	(722)	—	(968)
At 31 December 2021 and 1 January 2022	(5,657)	6,010	5	547	870	863	6,935	1,073	10,646
Credited/(charged) to profit or loss	2,004	(1,356)	20	74	586	605	(4,110)	3,168	991
Exchange adjustments	(96)	108	—	11	22	22	103	4	174
At 31 December 2022 and 1 January 2023	(3,749)	4,762	25	632	1,478	1,490	2,928	4,245	11,811
Credited/(charged) to profit or loss	154	(451)	(10)	74	478	703	(2,299)	3,861	2,510
Exchange adjustments	(102)	121	—	21	58	66	6	50	220
At 31 December 2023 and 1 January 2024	(3,697)	4,432	15	727	2,014	2,259	635	8,156	14,541
(Charged)/credited to profit or loss	(19,738)	20,038	6	1,402	78	(637)	(299)	4,026	4,876
Exchange adjustments	(147)	128	1	(3)	(33)	(48)	(15)	(11)	(128)
At 30 June 2024	(23,582)	24,598	22	2,126	2,059	1,574	321	12,171	19,289

(ii) Reconciliation to the consolidated statement of financial position

	At 31 December			At 30 June
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Net deferred tax assets recognised in the consolidated statement of financial position	10,646	11,811	14,541	19,289
	10,646	11,811	14,541	19,289

24 CAPITAL AND RESERVES

(a) Share capital

	Ordinary share	
	Number of shares	Amount
		RMB
Ordinary shares, issued and is not paid:		
Balance at 17 May 2022 (date of incorporation), 31 December 2022 and 31 December 2023	10,000	—
Shares allotted and issued	99,990,000	—
Balance at 30 June 2024	100,000,000	—

The Company's authorised shares were 500,000,000 shares with a par value of US$0.0001 each as of 30 June 2024. Pursuant to the written resolutions of shareholders passed on 22 November 2024, the authorised share capital of the Company was increased from US$50,000 divided into 500,000,000 shares to US$200,000 divided into 2,000,000,000 shares by the creation of additional 1,500,000,000 shares. As of the date of this report, the Company's issued shares were 100,000,000 shares.

(b) Net parent investment

Prior to completion of the Reorganisation, net parent investment represents changes in net assets related to the Listing Businesses which were managed and controlled by the two entities under common control of the Controlling Shareholders through the dates presented, inclusive of cumulative operating results.

(c) Other reserves

Other reserves mainly represent the capital contribution from debts conversion (Note 20(i)).

(d) Dividends

No dividends were paid or declared by the Company and the companies now comprising the Group during the Relevant Periods.

(e) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in Note 2(u).

(f) Capital risk management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group was not subject to any externally imposed capital requirements during the Relevant Periods.

25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity and interest rate arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below:

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables. The directors of the Company are of the opinion that the Group's exposure to credit risks arising from cash is limited because the counterparties are banks with good credit standing, for which the Group considers to have low credit risk.

Except for the financial guarantee given by the Group as set out in Note 25(b), the Group does not provide any other guarantees which would expose the Group to credit risk. The maximum exposure to credit risk in respect of this financial guarantee at the end of the reporting period is disclosed in Note 25(b).

Trade receivables

The Group has established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 21 to 90 days from the date of billing. Debtors with balances that are more than 3 months past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

Significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At 31 December 2021, 2022 and 2023 and 30 June 2024, 76.37%, 72.25%, 45.73% and 68.39% of the total trade receivables was due from the Group's largest five customers.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The following tables provide information about the Group's exposure to credit risk and ECLs for trade receivables:

	At 31 December 2021		
	Expected loss rate	Gross carrying amount	Loss allowance
	%	*RMB'000*	*RMB'000*
Within credit periods	0.05%	16,273	(8)
Overdue 1–30 days	0.25%	2,365	(6)
Overdue 31–60 days	0.56%	801	(4)
		19,439	(18)

	At 31 December 2022		
	Expected loss rate	Gross carrying amount	Loss allowance
	%	*RMB'000*	*RMB'000*
Within credit periods	0.05%	34,456	(17)
Overdue 1–30 days	0.31%	4,856	(15)
Overdue 31–60 days	0.83%	1,737	(14)
Overdue 61–90 days	1.01%	1,988	(20)
More than 90 days past due	20.00%	90	(18)
		43,127	(84)

	At 31 December 2023		
	Expected loss rate	Gross carrying amount	Loss allowance
	%	*RMB'000*	*RMB'000*
Within credit periods	0.03%	20,345	(7)
Overdue 1–30 days	0.12%	13,706	(16)
Overdue 31–60 days	0.38%	4,094	(16)
Overdue 61–90 days	0.67%	1,824	(12)
		39,969	(51)

	At 30 June 2024		
	Expected loss rate	Gross carrying amount	Loss allowance
	%	*RMB'000*	*RMB'000*
Within credit periods	0.04%	24,952	(9)
Overdue 1–30 days	0.10%	16,006	(16)
Overdue 31–60 days	0.32%	4,985	(16)
Overdue 61–90 days	0.62%	2,105	(13)
More than 90 days past due	19.78%	91	(18)
		48,139	(72)

Expected loss rates are based on actual loss experience. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Movement in the loss allowance account in respect of trade receivables during the Relevant Periods is as follows:

	Year ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
At beginning of the year/period	10	18	84	84	51
Impairment losses recognised	9	65	—	—	21
Impairment losses reversed	—	—	(34)	(7)	—
Exchange (gain)/loss	(1)	1	1	2	—
At end of the year/period	18	84	51	79	72

(b) Liquidity risk

The Group's policy is to regularly monitor liquidity requirements, and to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group and can be required to pay:

	At 31 December 2021					
	Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Loans and borrowings	26,686	—	—	—	26,686	26,686
Trade and other payables	101,589	—	—	—	101,589	101,589
Lease liabilities	16,850	14,056	23,632	14,946	69,484	61,331
	145,125	14,056	23,632	14,946	197,759	189,606

	At 31 December 2022					
	Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Loans and borrowings	9,117	—	—	—	9,117	9,117
Trade and other payables	161,656	—	—	—	161,656	161,656
Lease liabilities	26,018	11,978	19,541	11,031	68,568	58,721
	196,791	11,978	19,541	11,031	239,341	229,494

	At 31 December 2023					
	Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Loans and borrowings	31,311	113	316	—	31,740	31,616
Trade and other payables	240,666	—	—	—	240,666	240,666
Lease liabilities	31,234	8,472	25,497	16,849	82,052	72,378
	303,211	8,585	25,813	16,849	354,458	344,660

	At 30 June 2024					
	Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Loans and borrowings	107,088	147	226	—	107,461	104,933
Trade and other payables	274,399	—	—	—	274,399	274,399
Lease liabilities	14,302	13,481	39,245	39,120	106,148	86,472
	395,789	13,628	39,471	39,120	488,008	465,804

Dealer Floor Plan Financing

To assist dealers in obtaining financing for the purchase of its RVs for inventory, the Group started to enter into agreements with various dealers and a third-party floor plan lender to guarantee certain amounts of qualifying dealers' debt obligations in 2022. The Group's obligation under these guarantees becomes effective in the case of a default under the financing arrangement between the dealer and third-party floor plan lender. The agreements provide for the return of repossessed RVs to the Group in exchange for the Group's assumption of the debt obligation on those RVs. There was no dealer default during the Relevant Periods.

The Group continues to monitor the risk of defaults arisen from dealers and remeasures the obligations at the end of each reporting period based on information reasonably available at that time. As the estimated likelihood of the default is remote and the recovery from the collateral can cover the expected cash outflow from guarantee, the guarantee liability is minimum.

The maximum amount of the guarantee issued of RMB8,242,000, RMB27,533,000 and RMB20,611,000 as at 31 December 2022 and 2023 and 30 June 2024 respectively.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's interest rate risk arises primarily from cash at bank, restricted cash and interest-bearing borrowings. The Group's interest-bearing financial instruments at variable rates as at 31 December 2021, 2022 and 2023 and 30 June 2024 are primarily the cash at bank, and the cash flow interest rate risk arising from the change of market interest rate on these balances is not considered significant.

(i) The Group's interest rate profile as monitored by management is set out below.

	As at 31 December						As at 30 June	
	2021		2022		2023		2024	
	Interest rate %	*RMB'000*	*Interest rate %*	*RMB'000*	*Interest rate %*	*RMB'000*	*Interest rate %*	*RMB'000*
Fixed rate:								
Restricted cash	0.05%	2,350	0.5%/1.25%	4,753	0.5%/1.25%	4,889	0.5%/1.25%	14,738
Loans and borrowings	—	—	—	—	6.98%/7.04%	(408)	5.00%/ 6.98%/7.04%	(35,819)
Lease liabilities	4.75%	(61,331)	4.75%	(58,721)	4.75%	(72,378)	4.75%	(86,472)
		(58,981)		(53,968)		(67,897)		(107,553)
Variable rate:								
Cash	Current deposit rate	8,797	Current deposit rate	21,466	Current deposit rate	14,345	Current deposit rate	43,882
Loans and borrowings	Rabo Prime Rate + 2.09%	—	Rabo Prime Rate + 2.09%	(9,117)	Rabo Prime Rate + 2.09%	(31,208)	Rabo Prime Rate + 2.09%	(69,114)
		8,797		12,349		(16,863)		(25,232)

(ii) Sensitivity analysis

At 31 December 2021, 2022 and 2023 and 30 June 2024, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have decreased/increased the Group's profit after tax accumulated losses by approximately RMB62,000, RMB86,000, RMB118,000 and RMB177,000 respectively.

The sensitivity analysis above indicates the instantaneous change in the Group's profit after tax (and accumulated losses) and net parent investment that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period, the impact on the Group's profit after tax (and accumulated losses) and net parent investment is estimated as an annualised impact on interest expenses or income of such changes in interest rates.

(d) Currency risk

The Group is exposed to currency risk primarily through sales and purchases which give rise to receivables, payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily Australian dollar, Euro, Hong Kong Dollars and United States Dollars.

(i) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting periods to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rate at the year end date. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency are excluded.

	Exposure to foreign currencies (expressed in RMB)							
	At 31 December						At 30 June	
	2021		2022		2023		2024	
	Euro	Australian Dollars	Euro	Australian Dollars	Australian Dollars	Hong Kong Dollars	United States Dollars	Australian Dollars
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Intercompany receivables	—	62,228	—	121,292	117,310	—	—	176,453
Intercompany payables	—	(16,437)	—	(19,365)	(19,946)	—	—	(19,182)
Trade and other payables	(1,040)	—	(3,886)	—	—	(3,454)	(4,858)	—
Contract liabilities	—	—	—	—	—	—	—	(237)
Net exposure arising from recognised assets and liabilities	(1,040)	45,791	(3,886)	101,927	97,364	(3,454)	(4,858)	157,034

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit after tax (and accumulated losses) and net parent investment that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

	At 31 December						At 30 June	
	2021		2022		2023		2024	
	Increase/ (decrease) in foreign exchange rates	Effect on profit after tax and net parent investment	Increase/ (decrease) in foreign exchange rates	Effect on profit after tax and net parent investment	Increase/ (decrease) in foreign exchange rates	Effect on profit after tax and net parent investment	Increase/ (decrease) in foreign exchange rates	Effect on profit after tax and accumulated losses
		RMB'000		*RMB'000*		*RMB'000*		*RMB'000*
Australian Dollars	1%	3,434	1%	7,645	1%	7,302	1%	11,778
	–1%	(3,434)	–1%	(7,645)	–1%	(7,302)	–1%	(11,778)
Euro	1%	(78)	1%	(291)	1%	—	1%	—
	–1%	78	–1%	291	–1%	—	–1%	—
Hong Kong Dollars	1%	—	1%	—	1%	—	1%	(259)
	–1%	—	–1%	—	–1%	—	–1%	259
United States Dollars	1%	—	1%	—	1%	—	1%	(364)
	–1%	—	–1%	—	–1%	—	–1%	364

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit after tax and equity measured in the respective functional currencies, and then translated into RMB at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency.

(e) Fair value measurement

The fair value of the Group's financial instruments is categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair Value measurement*. The level, into which a fair value measurement is classified, is determined with the reference to the observability and significance of the inputs used in the valuation technique as follows:

Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

Level 3 valuations: Fair value measured using significant unobservable inputs.

The Group did not have any assets or liabilities measured at fair value as at 31 December 2021, 2022 and 2023 and 30 June 2024.

26 COMMITMENTS

The Group does not have material commitments as at 31 December 2021, 2022 and 2023 and 30 June 2024.

27 MATERIAL RELATED PARTY TRANSACTIONS

(a) Names and relationship of the related parties that had material transactions with the Group during the Relevant Periods

Name of related parties	Relationship
Flourishing Emerald International Limited ("Flourishing")	Entity controlled by Mr. Miao
Shangqiu Jishun Auto Parts Co., Ltd. ("Jishun")	Entity controlled by Mr. Miao
Zhejiang Daide Power Machinery Co., Ltd. ("Daide Power Machinery")	Entity controlled by Mr. Miao
Longcui (Zhejiang) Automotive Co., Ltd. ("Longcui Zhejiang")	Entity controlled by Mr. Miao
Yuejie (Zhejiang) Automobile Co., Ltd. ("Yuejie")	Entity controlled by Mr. Miao
Zhejiang Hobby Automobile Sales Co., Ltd. ("Hobby")	Entity controlled by Mr. Miao
Henan Jishang Automobile Co., Ltd. ("Jishang")	Entity controlled by Mr. Miao
Zhejiang Lanmanlong Automobile Co., Ltd. ("Lanmanlong")	Entity controlled by Mr. Miao
Zhejiang Bing Huodi Technology Service Co., Ltd. ("Zhejiang Biying")	Entity over which Mr. Miao has significant influence
Leisure Lion*	A Joint venture of the Group before 13 September 2023

* *In September 2023, the Group acquired additional 1% interest of Leisure Lion and it became a subsidiary of the Group since then, details of which is disclosed in Note 13.*

(b) Transactions with related parties

	Year ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Sales of product					
Leisure Lion	26,063	37,568	51,809	32,320	—
Yuejie	—	—	—	—	1
Hobby	—	—	—	—	1
Lanmanlong	—	—	—	—	4
Purchase of materials					
Jishun	—	1,806	9,988	4,136	6,831
Daide Power Machinery	52,093	14,735	—	—	—
Jishang	—	—	—	—	209
Lease from					
Longcui Zhejiang	5,708	5,708	5,708	5,708	5,708

	Year ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Additional borrowings					
Flourishing	—	16,622	—	—	—
Zhejiang Biying	—	—	—	—	54,829
Repayment of borrowings					
Zhejiang Biying	—	—	—	—	20,000
Interest expense on borrowings					
Zhejiang Biying	—	—	—	—	645
Debt converted to capital					
Flourishing	—	44,191	—	—	—

The Group leased a warehouse from Longcui Zhejiang from 1 January 2021 till 30 April 2029 with annual rental fee of RMB5,708,000.

(c) Balance with related parties

	At 31 December			At 30 June
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade related:				
Trade and other receivables				
Leisure Lion (i)	2,213	7,561	—	—
Yuejie (i)	—	—	—	1
Hobby (i)	—	—	—	1
Trade and other payables				
Jishun (ii)	—	840	3,909	4,902
Daide Power Machinery (ii)	7,562	6,818	2,636	1,394
Jishang (ii)	—	—	—	246
	7,562	7,658	6,545	6,542
Lease Liabilities				
Longcui Zhejiang (iii)	41,296	42,846	44,194	25,763
Non-trade related:				
Loans and borrowings *(Note 20)*				
Flourishing	26,686	—	—	—
Zhejiang Biying	—	—	—	35,474

Notes:

(i) The balances arose from the sale of RVs and RV parts to related parties.

(ii) The balances arose from the purchase of RVs parts from related parties.

(iii) The balances arose from the leasing of a warehouse from Longcui Zhejiang.

(d) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in Note 8 and certain of the highest paid employees as disclosed in Note 9, is as follows:

	Year ended 31 December			Six months ended 30 June	
	2021	**2022**	**2023**	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Salaries, allowances and benefits in kind	858	1,005	1,786	791	1,161
Discretionary bonuses	218	323	466	222	245
Contributions to retirement benefit schemes	110	131	217	85	145
	1,186	1,459	2,469	1,098	1,551

28 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

On 14 May 2024, the Company allotted and issued 826,500 shares to NRV Benefit Limited which is for the options granted to the qualified personnel pursuant to the Pre-IPO share option scheme. As of the report date, all 826,500 options, associated with 826,500 shares were granted to eight directors, senior management and other employees of the Group.

29 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE RELEVANT PERIODS

Up to the date of issue of the Historical Financial Information, the HKICPA has issued a few of amendments, new standards and interpretations which are not yet effective for Relevant Periods and which have not been adopted in Historical Financial Information. These include the following which may be relevant to the Group:

	Effective for accounting periods beginning on or after
Amendments to HKAS 21, *The effects of changes in foreign exchange rates: Lack of exchangeability*	1 January 2025
Amendments to HKFRS 9 and HKFRS 7, *Amendments to the Classification and Measurement of Financial Instruments*	1 January 2026
HKFRS 18, *Presentation and Disclosure in Financial Statements* Basis for conclusions on HKFRS 18 Illustrative examples on HKFRS 18	1 January 2027
HKFRS 19, *Subsidiaries without Public Accountability: Disclosures*	1 January 2027
Amendments to HKFRS 10 and HKAS 28, *Sale or contribution of assets between an investor and its associate or joint venture*	To be determined

The Group is in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial application. So far the Group has concluded that the adoption of them is unlikely to have a significant impact on its Historical Financial Information.

SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company and its subsidiaries in respect of any period subsequent to 30 June 2024.

The information set forth in this appendix does not form part of the Accountants' Report from KPMG, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, as set forth in Appendix I to this Prospectus, and is included herein for illustrative purposes only.

The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this listing document and the Accountants' Report set forth in Appendix I to this Prospectus.

A UNAUDITED PRO FORMA STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted net tangible assets of our Group is prepared in accordance with paragraph 4.29 of the Listing Rules and is set out below for the purpose to illustrate the effect of the Global Offering on the consolidated net tangible assets attributable to equity shareholders of the Company as at 30 June 2024 as if it had taken place on 30 June 2024.

The unaudited pro forma statement of adjusted net tangible assets has been prepared for illustrative purpose only and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Global Offering been completed as at 30 June 2024 or at any future dates.

	Consolidated net tangible assets attributable to the equity shareholders of our Company as of June 30, 2024(1)	Estimated net proceeds from the Global Offering(2)(4)	Unaudited pro forma adjusted net tangible assets attributable to equity shareholders of our Company(3)(5)	Unaudited pro forma adjusted net tangible assets attributable to equity shareholders of our Company per Share	
	RMB'000	RMB'000	RMB'000	RMB(5)	(HK$ equivalent)(5)
Based on an Offer Price of HK$1.24 per Share	32,393	243,240	275,633	0.29	0.31
Based on an Offer Price of HK$1.64 per Share	32,393	328,451	360,844	0.38	0.41

Notes:

(1) The consolidated net tangible assets of the Group attributable to equity shareholders of the Company as at 30 June 2024 is arrived at after deducting the intangible assets of RMB107,000 from the consolidated total equity attributable to the equity shareholders of the Company as at 30 June 2024 of RMB32,500,000, which are extracted from the Accountants' Report set forth in Appendix I to this Prospectus.

(2) The estimated net proceeds from the Global Offering are based on 240,000,000 Shares to be issued at the estimated Offer Prices of HK$1.24 per Share (being the low-end of the Offer Price) and HK$1.64 per Share (being the high-end of the Offer Price), respectively, after deduction of the estimated underwriting fees and other estimated related expenses paid or payable by the Group (excluding

listing expenses of RMB15,305,000 which have been charged to profit or loss on or before 30 June 2024), without taking into account of any shares which may be issued upon the exercise of the Over-allotment Option and the options granted under the Pre-IPO Share Option Scheme.

(3) The unaudited pro forma adjusted net tangible assets attributable to equity shareholders of the Company per Share is arrived at after the above adjustment and on the basis that 954,049,200 Shares were in issue immediately following the Capitalization Issue and Global Offering (excluding 5,950,800 shares, representing 826,500 shares adjusted by the Capitalization Issue, held by employee shareholding platform for the Pre-IPO Share Option Scheme) assuming the Global Offering had completed on 30 June 2024 and the Over-allotment Option and the options granted under the Pre-IPO Share Option Scheme are not exercised.

(4) For illustrative purpose, the estimated net proceeds from the Global Offering is converted from the Hong Kong dollar into Renminbi and the unaudited pro forma adjusted net tangible assets attributable to equity shareholders of the Company per Share is converted from the Renminbi into Hong Kong dollar at the exchange rate of HK$1.00 to RMB0.92468, the exchange rate set by PBOC prevailing on the Latest Practicable Date. No representation is made that Renminbi amount have been, could have been or may be converted to Hong Kong dollars, or vice versa, at the rate or at any other rate.

(5) No adjustment has been made to the unaudited pro forma adjusted net tangible assets attributable to equity shareholders of the Company to reflect our any trading results or other transactions entered into subsequent to 30 June 2024.

B. REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from the reporting accountants, KPMG, Certified Public Accountants, Hong Kong, in respect of the Group's pro forma financial information for the purpose in this Prospectus.

KPMG

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION

TO THE DIRECTORS OF NEW GONOW RECREATIONAL VEHICLES INC.

We have completed our assurance engagement to report on the compilation of pro forma financial information of New Gonow Recreational Vehicles Inc. (the "**Company**") and its subsidiaries (collectively the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted net tangible assets as at 30 June 2024 and related notes as set out in Part A of Appendix II to the prospectus dated 31 December 2024 (the "**Prospectus**") issued by the Company. The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are described in Part A of Appendix II to the Prospectus.

The pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed offering of the ordinary shares of the Company (the "**Global Offering**") on the Group's consolidated financial position as at 30 June 2024 as if the Global Offering had taken place at 30 June 2024. As part of this process, information about the Group's consolidated financial position as at 30 June 2024 has been extracted by the Directors from the Group's historical financial information included in the Accountants' Report as set out in Appendix I to the Prospectus.

Directors' Responsibilities for the Pro Forma Financial Information

The Directors are responsible for compiling the pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("**AG 7**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements", which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements ("**HKSAE**") 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the pro forma financial information in accordance with paragraph 4.29 of the Listing Rules, and with reference to AG 7 issued by the HKICPA.

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical or forecast or estimated financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of events or transactions as at 30 June 2024 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our procedures on the pro forma financial information have not been carried out in accordance with attestation standards or other standards and practices generally accepted in the United States of America, auditing standards of the Public Company Accounting Oversight Board (United States) or any overseas standards and accordingly should not be relied upon as if they had been carried out in accordance with those standards and practices.

We make no comments regarding the reasonableness of the amount of net proceeds from the issuance of the Company's shares, the application of those net proceeds, or whether such use will actually take place as described in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

Opinion

In our opinion:

a) the pro forma financial information has been properly compiled on the basis stated;

b) such basis is consistent with the accounting policies of the Group; and

c) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

KPMG
Certified Public Accountants
Hong Kong

31 December 2024

Set out below is a summary of certain provisions of the constitution of the Company and certain aspects of the company laws of the Cayman Islands.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 17 May 2022 under the Companies Act. The Company's constitutional documents consist of the Memorandum of Association and the Articles of Association.

1. MEMORANDUM OF ASSOCIATION

The Memorandum provides, *inter alia*, that the liability of the members of the Company is limited, that the objects for which the Company is established are unrestricted (and therefore include acting as an investment holding company) and that the Company shall have full power and authority to carry out any object not prohibited by the Companies Act or any other law of the Cayman Islands.

2. ARTICLES OF ASSOCIATION

The Articles were conditionally adopted on November 22, 2024 and will become effective on the Listing Date. A summary of certain provisions of the Articles is set out below.

2.1 Shares

(a) Classes of Shares

The share capital of the Company consists of a single class of ordinary shares.

(b) Variation of Rights of Existing Shares or Classes of Shares

If at any time the share capital of the Company is divided into different classes of Shares, all or any of the rights attached to any class of Shares for the time being issued (unless otherwise provided by the terms of issue of the Shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of at least three-fourths of the issued Shares of that class, or with the approval of a resolution passed by at least three-fourths of the votes cast by the holders of the Shares of that class present and voting in person or by proxy at a separate meeting of such holders. The provisions of the Articles relating to general meetings shall apply *mutatis mutandis* to every such separate meeting, except that the necessary quorum shall be two persons together holding (or, in the case of a member being a corporation, by its duly authorised representative), or representing by proxy, at least one-third of the issued Shares of that class. Every holder of Shares of the class shall be entitled on a poll to one vote for every such Share held by him, and any holder of Shares of the class present in person or by proxy may demand a poll.

For the purposes of a separate class meeting, the Board may treat two or more classes of Shares as forming one class of Shares if the Board considers that such classes of Shares would be affected in the same way by the proposals under consideration, but in any other case shall treat them as separate classes of Shares.

Any rights conferred upon the holders of Shares of any class shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith.

(c) Alteration of Capital

The Company may by ordinary resolution:

(i) increase its share capital by the creation of new Shares of such amount and with such rights, priorities and privileges attached to such Shares as it may determine;

(ii) consolidate and divide all or any of its share capital into Shares of a larger amount than its existing Shares. On any consolidation of fully paid Shares and division into Shares of a larger amount, the Board may settle any difficulty which may arise as it thinks expedient and, in particular (but without prejudice to the generality of the foregoing), may as between the holders of Shares to be consolidated determine which particular Shares are to be consolidated into a consolidated Share, and if it shall happen that any person shall become entitled to fractions of a consolidated Share or Shares, such fractions may be sold by some person appointed by the Board for that purpose and the person so appointed may transfer the Shares so sold to the purchaser(s) thereof and the validity of such transfer shall not be questioned, and the net proceeds of such sale (after deduction of the expenses of such sale) may either be distributed among the persons who would otherwise be entitled to a fraction or fractions of a consolidated Share or Shares rateably in accordance with their rights and interests or may be paid to the Company for the Company's benefit;

(iii) sub-divide its Shares or any of them into Shares of an amount smaller than that fixed by the Memorandum; and

(iv) cancel any Shares which, as at the date of passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the Shares so cancelled.

The Company may by special resolution reduce its share capital or any undistributable reserve, subject to the provisions of the Companies Act.

(d) Transfer of Shares

Subject to the terms of the Articles, any member of the Company may transfer all or any of his Shares by an instrument of transfer. If the Shares in question were issued in conjunction with rights, options, warrants or units issued pursuant to the Articles on terms that one cannot be transferred without the other, the Board shall refuse to register the transfer of any such Share without evidence satisfactory to it of the like transfer of such right, option, warrant or unit.

Subject to the Articles and the requirements of the Stock Exchange, all transfers of Shares shall be effected by an instrument of transfer in the usual or common form or in such other form as the Board may approve and may be under hand or, if the transferor or transferee is a recognised clearing house or its nominee(s), under hand or by machine imprinted signature, or by such other manner of execution as the Board may approve from time to time.

Execution of the instrument of transfer shall be by or on behalf of the transferor and the transferee, provided that the Board may dispense with the execution of the instrument of transfer by the transferor or transferee or accept mechanically executed transfers. The transferor shall be deemed to remain the holder of a Share until the name of the transferee is entered in the register of members of the Company in respect of that Share.

Subject to the provisions of the Companies Act, if the Board considers it necessary or appropriate, the Company may establish and maintain a branch register or registers of members at such location or locations within or outside the Cayman Islands as the Board thinks fit. The Board may, in its absolute discretion, at any time transfer any Share on the principal register to any branch register or any Share on any branch register to the principal register or any other branch register.

The Board may, in its absolute discretion, decline to register a transfer of any Share (not being a fully paid Share) to a person of whom it does not approve or on which the Company has a lien, or a transfer of any Share issued under any share option scheme upon which a restriction on transfer subsists or a transfer of any Share to more than four joint holders. It may also decline to recognise any instrument of transfer if the proposed transfer does not comply with the Articles or any requirements of the Listing Rules.

The Board may decline to recognise any instrument of transfer unless a certain fee, up to such maximum sum as the Stock Exchange may determine to be payable, is paid to the Company, the instrument of transfer is properly stamped (if applicable), is in respect of only one class of Share and is lodged at the relevant registration office or the place at which the principal register is located accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require is provided to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The register of members may, subject to the Listing Rules and the relevant section of the Companies Ordinance, be closed at such time or for such period not exceeding in the whole 30 days in each year as the Board may determine (or such longer period as the members of the Company may by ordinary resolution determine, provided that such period shall not be extended beyond 60 days in any year).

Fully paid Shares shall be free from any restriction on transfer (except when permitted by the Stock Exchange) and shall also be free from all liens.

(e) Redemption of Shares

Subject to the provisions of the Companies Act, the Listing Rules and any rights conferred on the holders of any Shares or attaching to any class of Shares, the Company may issue Shares that are to be redeemed or are liable to be redeemed at the option of the members or the Company. The redemption of such Shares shall be effected in such manner and upon such other terms as the Company may by special resolution determine before the issue of such Shares.

(f) Power of the Company to Purchase its own Shares

Subject to the Companies Act, or any other law or so far as not prohibited by any law and subject to any rights conferred on the holders of any class of Shares, the Company shall have the power to purchase or otherwise acquire all or any of its own Shares (which includes redeemable Shares), provided that the manner and terms of purchase have first been authorised by ordinary resolution and that any such purchase shall only be made in accordance with the relevant code, rules or regulations issued from time to time by the Stock Exchange and/or the Securities and Futures Commission of Hong Kong from time to time in force.

(g) Power of any Subsidiary of the Company to own Shares in the Company

There are no provisions in the Articles relating to the ownership of Shares in the Company by a subsidiary.

(h) Calls on Shares and Forfeiture of Shares

Subject to the terms of allotment and issue of any Shares (if any), the Board may, from time to time, make such calls as it thinks fit upon the members in respect of any monies unpaid on the Shares held by them (whether in respect of par value or share premium). A member who is the subject of the call shall (subject to receiving at least 14 clear days' notice specifying the time or times for payment) pay to the Company at the time or times so specified the amount called on his Shares. A call may be made payable either in one sum or by instalments, and shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed. The joint holders of a Share shall be severally as well as jointly liable for the payment of all calls and instalments due in respect of such Share.

If a call remains unpaid after it has become due and payable, the member from whom the sum is due shall pay interest on the unpaid amount at such rate as the Board shall determine (together with any expenses incurred by the Company as a result of such non-payment) from the day it became due and payable until it is paid, but the Board may waive payment of such interest or expenses in whole or in part.

If a member fails to pay any call or instalment of a call after it has become due and payable, the Board may, for so long as any part of the call or instalment remains unpaid, give to such member not less than 14 clear days' notice requiring payment of the unpaid amount together with any interest which may have accrued and which may still accrue up to the date of payment (together with any expenses incurred by the Company as a result of such non-payment). The notice shall specify a further day on or before which the payment required by the notice is to be made. The notice shall also state that, in the event of non-payment at or before the appointed time, the Shares in respect of which the call was made will be liable to be forfeited.

If such notice is not complied with, any Share in respect of which the notice was given may, before the payment required by the notice has been made, be forfeited by a resolution of the Board. Such forfeiture shall include all dividends, other distributions and other monies payable in respect of the forfeited Share and not paid before the forfeiture.

A person whose Shares have been forfeited shall cease to be a member in respect of the forfeited Shares, shall surrender to the Company for cancellation the certificate(s) for the Shares forfeited and shall remain liable to pay to the Company all monies which, as at the date of forfeiture, were payable by him to the Company in respect of the Shares together with (if the Board shall in its discretion so require) interest thereon from the date of forfeiture until the date of payment as the Board may determine and any expenses incurred by the Company as a result of such non-payment.

2.2 Directors

(a) Appointment, Retirement and Removal

The Company may by ordinary resolution of the members elect any person to be a Director. The Board may also appoint any person to be a Director at any time, either to fill a casual vacancy or as an additional Director subject to any maximum number fixed by the members in general meeting or the Articles. Any Director so appointed shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election at such meeting. Any Director so appointed by the Board shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

There is no shareholding qualification for Directors nor is there any specified age limit for Directors.

The members may by ordinary resolution remove any Director (including a managing or executive Director) before the expiration of his term of office, notwithstanding anything in the Articles or any agreement between the Company and such Director, and may by ordinary resolution elect another person in his stead. Nothing shall be taken as depriving a Director so removed of any compensation or damages payable to such Director in respect of the termination of his appointment as Director or of any other appointment or office as a result of the termination of his appointment as Director.

The office of a Director shall be vacated if:

(i) the Director gives notice in writing to the Company that he resigns from his office as Director;

(ii) the Director is absent, without being represented by proxy or an alternate Director appointed by him, for a continuous period of 12 months without special leave of absence from the Board, and the Board passes a resolution that he has by reason of such absence vacated his office;

(iii) the Director becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;

(iv) the Director dies or an order is made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs and the Board resolves that his office be vacated;

(v) the Director is prohibited from being or ceases to be a Director by operation of law;

(vi) the Director has been required by the Stock Exchange to cease to be a Director or no longer qualifies to be a Director pursuant to the Listing Rules; or

(vii) the Director is removed from office by notice in writing served upon him signed by not less than three-fourths in number (or, if that is not a round number, the nearest lower round number) of the Directors (including himself) then in office.

At each annual general meeting, one-third of the Directors for the time being shall retire from office by rotation. If the number of Directors is not a multiple of three, then the number nearest to but not less than one-third shall be the number of retiring Directors, provided that every Director shall be subject to retirement by rotation at least once every three years. The Directors to retire at each annual general meeting shall be those who have been in office longest since their last re-election or appointment and, as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

(b) Power to Allot and Issue Shares and other Securities

Subject to the provisions of the Companies Act, the Memorandum and Articles and, where applicable, the Listing Rules, and without prejudice to any rights or restrictions for the time being attached to any Shares, the Board may allot, issue, grant options over or otherwise dispose of Shares with or without preferred, deferred or other rights or restrictions, whether with regard to dividend, voting, return of capital or otherwise, to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, provided that no Shares shall be issued at a discount to their par value.

The Company may issue rights, options, warrants or convertible securities or securities of a similar nature conferring the right upon the holders thereof to subscribe for, purchase or receive any class of Shares or other securities in the Company on such terms as the Board may from time to time determine.

Neither the Company nor the Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of Shares, to make, or make available, any such allotment, offer, option or Shares to members or others whose registered addresses are in any particular territory or territories where, in the absence of a registration statement or other special formalities, this is or may, in the opinion of the Board, be unlawful or impracticable. However, no member affected as a result of the foregoing shall be, or be deemed to be, a separate class of members for any purpose whatsoever.

(c) Power to Dispose of the Assets of the Company or any of its Subsidiaries

Subject to the provisions of the Companies Act, the Memorandum and Articles and any directions given by special resolution of the Company, the Board may exercise all powers and do all acts and things which may be exercised or done by the Company to dispose of the assets of the Company or any of its subsidiaries. No alteration to the Memorandum or Articles and no direction given by special resolution of the Company shall invalidate any prior act of the Board which would have been valid if such alteration or direction had not been made or given.

(d) Borrowing Powers

The Board may exercise all the powers of the Company to raise or borrow money, secure the payment of any sum or sums of money for the purposes of the Company, mortgage or charge all or any part of its undertaking, property and uncalled capital of the Company, and, subject to the Companies Act, issue debentures, debenture stock, bonds and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(e) Remuneration

A Director shall be entitled to receive such sums as shall from time to time be determined by the Board or the Company in general meetings. The Directors shall also be entitled to be repaid all expenses reasonably incurred by them in connection with attendance at meetings of the Board or committees of the Board, or general meetings of the Company or separate meetings of the holders of any class of Shares or debentures of the Company, or otherwise in connection with the business of the Company and the discharge of their duties as Directors, and/or to receive fixed allowances in respect thereof as may be determined by the Board.

The Board or the Company in general meetings may also approve additional remuneration to any Director for any services which in the opinion of the Board or the Company in general meetings go beyond such Director's ordinary routine work as a Director.

(f) Compensation or Payments for Loss of Office

There are no provisions in the Articles relating to compensation or payment for loss of office.

(g) Loans to Directors

There are no provisions in the Articles relating to making of loans to Directors.

(h) Disclosure of Interest in Contracts with the Company or any of its Subsidiaries

With the exception of the office of auditor of the Company, a Director may hold any other office or place of profit with the Company in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration for that other office or place of profit, in whatever form, in addition to any remuneration provided for by or pursuant to the Articles. A Director may be or become a director, officer or member of any other company in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration or other benefits received by him as a director, officer or member of such other company.

No person shall be disqualified from the office of Director or alternate Director or prevented by such office from contracting with the Company, nor shall any such contract or any other contract or transaction entered into by or on behalf of the Company in which any Director or alternate Director is in any way interested be or be liable to be avoided, nor shall any Director or alternate Director so contracting or being so interested be liable to account to the Company for any profit realised by or arising in connection with any such contract or transaction by reason of such Director or alternate Director holding such office or of the fiduciary relationship established by it, provided that the nature of interest of any Director or alternate Director in any such contract or transaction shall be disclosed by such Director or alternate Director at or prior to the consideration and vote thereon.

A Director shall not vote on (or be counted in the quorum in relation to) any resolution of the Board in respect of any contract or arrangement or other proposal in which he or any of his close associate(s) has a material interest, and if he shall do so his vote shall not be counted and he shall not be counted in the quorum for such resolution. This prohibition shall not apply to any of the following matters:

(i) the giving of any security or indemnity to the Director or his close associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;

(ii) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has/have himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;

(iii) any proposal concerning an offer of Shares, debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

(iv) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries, including the adoption, modification or operation of (A) any employees' share scheme or any share incentive or share option scheme under which the Director or his close associate(s) may benefit or (B) any pension fund or retirement, death or disability benefits scheme which relates to the Director, his close associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his close associate(s) any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and

(v) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of Shares, debentures or other securities of the Company by virtue only of his/their interest in those Shares, debentures or other securities.

2.3 Proceedings of the Board

The Board may meet anywhere in the world for the despatch of business and may adjourn and otherwise regulate its meetings as it thinks fit. Unless otherwise determined, two Directors shall be a quorum. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

2.4 Alterations to the Constitutional Documents and the Company's Name

The Memorandum and Articles may only be altered or amended, and the name of the Company may only be changed, by special resolution of the Company.

2.5 Meetings of Members

(a) Special and Ordinary resolutions

A special resolution must be passed by a majority of not less than two-thirds (other than in relation to any resolution approving changes to the Company's constitutional documents or a voluntary winding up of the Company, in which case a special resolution must be passed by a majority of not less than three-fourths) of the voting rights held by such members as, being entitled so to do, vote in person or by proxy or, in the case of any members which is a corporation, by its duly authorised representative(s) or by proxy, at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given. A special resolution may also be approved in writing by all the members entitled to vote at a general meeting in one or more instruments each signed by one or more of such members.

An ordinary resolution, in contrast, is a resolution passed by a simple majority of the voting rights held by such members as, being entitled to do so, vote in person or by proxy or, in the case of any member which is a corporation, by its duly authorised representative(s) or by proxy, at a general meeting. An ordinary resolution may also be approved in writing by all the members entitled to vote at a general meeting in one or more instruments each signed by one or more of such members.

The provisions of special resolutions and ordinary resolutions shall apply *mutatis mutandis* to any resolutions passed by the holders of any class of shares.

(b) Voting Rights and Right to Demand a Poll

Subject to any rights, restrictions or privileges as to voting for the time being attached to any class or classes of Shares, at any general meeting: (a) on a poll every member present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy shall have one vote for every Share and (b) on a show of hands every member who is present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy shall have one vote.

In the case of joint holders, the vote of the senior holder who tenders a vote, whether in person or by proxy shall be accepted to the exclusion of the votes of the other join holders, and seniority shall be determined by the order in which the names of the holders stand in the register of members of the Company.

No person shall be counted in a quorum or be entitled to vote at any general meeting unless he is registered as a member on the record date for such meeting, nor unless all calls or other monies then payable by him in respect of the relevant Shares have been paid.

At any general meeting a resolution put to the vote of the meeting shall be decided by way of poll save that the chairman of the meeting may, pursuant to the Listing Rules, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

Any corporation or other non-natural person which is a member of the Company may in accordance with its constitutional documents, or in the absence of such provision by resolution of its directors or other governing body or by power of attorney, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members, and the person so authorised shall be entitled to exercise the same powers as the corporation or other non-natural person could exercise as if it were a natural person member of the Company.

If a recognised clearing house or its nominee(s) is a member of the Company, it may appoint proxies or authorise such person or persons as it thinks fit to act as its representative(s), who enjoy rights equivalent to the rights of other members, at any meeting of the Company (including but not limited to general meetings and creditors meetings) or at any meeting of any class of members of the Company, provided that if more than one person is so authorised, the authorisation shall specify the number and class of Shares in respect of which each such person is so authorised. A person so authorised shall be entitled to exercise the same rights and powers on behalf of the recognised clearing house or its nominee(s) as if such person were a natural person member of the Company, including the right to speak and vote individually on a show of hands or on a poll.

All members of the Company (including a member which is a recognised clearing house (or its nominee(s))) shall have the right to (i) speak at a general meeting and (ii) and vote at a general meeting except where a member is required by the Listing Rules to abstain from voting to approve the matter under consideration. Where any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

(c) Annual General Meetings and Extraordinary General Meetings

The Company must hold a general meeting as its annual general meeting in each financial year. Such meeting shall be specified as such in the notices calling it, and must be held within six months after the end of the Company's financial year. A meeting of the members or any class thereof may be held by telephone, tele-conferencing or other electronic means, provided that all participants are able to communicate contemporaneously with one another, and participation in a meeting in such manner shall constitute presence at such meetings.

The Board may convene an extraordinary general meeting whenever it thinks fit. In addition, one or more members holding, as at the date of deposit of the requisition, in aggregate not less than one-tenth of the voting rights (on a one vote per Share basis) in the share capital of the Company may make a requisition to convene an extraordinary general meeting and/or add resolutions to the agenda of a meeting. Such requisition, which must state the objects and the resolutions to be added to the agenda of the meeting and must be signed by the requisitionists, shall be deposited at the principal place of business of the Company in Hong Kong or, in the event the Company ceases to have such a principal place of business, the registered office of the Company. If the Board does not within 21 days from the date of deposit of such requisition duly proceed to convene a general meeting to be held within the following 21 days, the requisitionists or any of them representing more than one-half of the total voting rights of all the requisitionists may themselves convene a general meeting, but any such meeting so convened shall be held no later than the day falling three months after the expiration of the said 21-day period. A general meeting convened by requisitionists shall be convened in the same manner as nearly as possible as that in which general meetings are to be convened by the Board, and all reasonable expenses incurred by the requisitionists shall be reimbursed to the requisitionists by the Company.

(d) Notices of Meetings and Business to be Conducted

An annual general meeting of the Company shall be called by at least 21 days' notice in writing, and any other general meeting of the Company shall be called by at least 14 days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and must specify the date, time, place and agenda of the meeting, the particulars of the resolution(s) to be considered at the meeting and the general nature of the business to be considered at the meeting.

Except where otherwise expressly stated, any notice or document (including a share certificate) to be given or issued under the Articles shall be in writing, and may be served by the Company on any member personally, by post to such member's registered address, (to the extent permitted by the Listing Rules and all applicable laws and regulations) by electronic means or (in the case of a notice) by advertisement published in the manner prescribed under the Listing Rules.

Notwithstanding that a meeting of the Company is called by shorter notice than as specified above, if permitted by the Listing Rules, such meeting may be deemed to have been duly called if it is so agreed:

(i) in the case of an annual general meeting, by all members of the Company entitled to attend and vote thereat; and

(ii) in the case of an extraordinary general meeting, by a majority in number of the members having a right to attend and vote at the meeting holding not less than 95% of the total voting rights held by such members.

If, after the notice of a general meeting has been sent but before the meeting is held, or after the adjournment of a general meeting but before the adjourned meeting is held (whether or not notice of the adjourned meeting is required), the Board in its absolute discretion consider that it is impractical or unreasonable for any reason to hold a general meeting on the date or at the time and place specified in the notice calling such meeting, it may change or postpone the meeting to another date, time and place.

The Board also has the power to provide in every notice calling a general meeting that in the event of a gale warning, a black rainstorm warning or extreme conditions is/are in force at any time on the day of the general meeting (unless such warning is cancelled at least a minimum period of time prior to the general meeting as the Board may specify in the relevant notice), the meeting shall be postponed without further notice to be reconvened on a later date.

Where a general meeting is postponed:

(A) the Company shall endeavour to cause a notice of such postponement, which shall set out the reason for the postponement in accordance with the Listing Rules, to be placed on the Company's website and published on the Stock Exchange's website as soon as practicable, provided that failure to place or publish such notice shall not affect the automatic postponement of a general meeting due to a gale warning, a black rainstorm warning or extreme conditions being in force on the day of the general meeting;

(B) the Board shall fix the date, time and place for the reconvened meeting and at least seven clear days' notice shall be given for the reconvened meeting. Such notice shall specify the date, time and place at which the postponed meeting will be reconvened and the date and time by which proxies shall be submitted in order to be valid at such reconvened meeting (provided that any proxy submitted for the original meeting shall continue to be valid for the reconvened meeting unless revoked or replaced by a new proxy); and

(C) only the business set out in the notice of the original meeting shall be considered at the reconvened meeting, and notice given for the reconvened meeting does not need to specify the business to be considered at the reconvened meeting, nor shall any accompanying documents be required to be recirculated. Where any new business is to be considered at such reconvened meeting, the Company shall give a fresh notice for such reconvened meeting in accordance with the Articles.

(e) Quorum for Meetings and Separate Class Meetings

No business shall be considered at any general meeting unless a quorum is present when the meeting proceeds to business, and continues to be present until the conclusion of the meeting.

The quorum for a general meeting shall be two members present in person (or in the case of a member being a corporation, by its duly authorised representative) or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to approve the variation of class rights, the necessary quorum shall be two persons holding or representing by proxy not less than one-third of the issued Shares of that class.

(f) Proxies

Any member of the Company (including a member which is a recognised clearing house (or its nominee(s))) entitled to attend and vote at a meeting of the Company is entitled to appoint another person (being a natural person) as his proxy to attend and vote in his place. A member who is the holder of two or more Shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company and shall be entitled to exercise the same powers on behalf of a member who is a natural person and for whom he acts as proxy as such member could exercise. In addition, a proxy shall be entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise as if it were a natural person member present in person at any general meeting. On a poll or on a show of hands, votes may be given either personally (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy.

The instrument appointing a proxy shall be in writing and executed under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation or other non-natural person, either under its seal or under the hand of a duly authorised representative.

The Board shall, in the notice convening any meeting or adjourned meeting, or in an instrument of proxy sent out by the Company, specify the manner by which the instrument appointing a proxy shall be deposited and the place and time (being no later than the time appointed for the commencement of the meeting or adjourned meeting to which the instrument of proxy relates) at which such instrument shall be deposited.

Every instrument of proxy, whether for a specified meeting or otherwise, shall be in such form that complies with the Listing Rules as the Board may from time to time approve. Any form issued to a member for appointing a proxy to attend and vote at a general meeting at which any business is to be considered shall be such as to enable the member, according to his intentions, to instruct the proxy to vote in favour of or against (or, in default of instructions, to exercise the discretion of the proxy in respect of) each resolution dealing with any such business.

2.6 Accounts and Audit

The Board shall cause to be kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions in accordance with the Companies Act.

The books of accounts of the Company shall be kept at the principal place of business of the Company in Hong Kong or, subject to the provisions of the Companies Act, at such other place or places as the Board thinks fit and shall always be open to inspection by any Director. No member (not being a Director) or other person shall have any right to inspect any account, book or document of the Company except as conferred by the Companies Act or ordered by a court of competent jurisdiction or as authorised by the Board or the Company in general meeting.

The Board shall cause to be prepared and laid before the Company at every annual general meeting a profit and loss account for the period since the preceding account, together with a balance sheet as at the date to which the profit and loss account is made up, a Directors' report with respect to the profit or loss of the Company for the period covered by the profit and loss account and the state of the Company's affairs as at the end of such period, an auditors' report on such accounts and such other reports and accounts as may be required by law and the Listing Rules.

The members shall at each annual general meeting appoint auditor(s) to hold office by ordinary resolution of the members until the conclusion of the next annual general meeting on such terms and with such duties as may be agreed with the Board. The auditors' remuneration shall be fixed by the members at the annual general meeting at which they are appointed by ordinary resolution of the members or in any other manner as specified in such ordinary resolution. The members may, at any general meeting convened and held in accordance with the Articles, remove the auditors by ordinary resolution at any time before the expiration of the term of office and shall, by ordinary resolution, at that meeting appoint new auditors in their place for the remainder of the term.

The accounts of the Company shall be prepared and audited based on the generally accepted accounting principles of Hong Kong, the International Accounting Standards or such other standards as may be permitted by the Stock Exchange.

2.7 Dividends and other Methods of Distribution

Subject to the Companies Act and the Articles, the Company may by ordinary resolution resolve to declare dividends and other distributions on Shares in issue in any currency and authorise payment of the dividends or distributions out of the funds of the Company lawfully available therefor, provided that (i) no dividends shall exceed the amount recommended by the Board, and (ii) no dividends or distributions shall be paid except out of the realised or unrealised profits of the Company, out of the share premium account or as otherwise permitted by law.

The Board may from time to time pay to the members of the Company such interim dividends as appear to the Board to be justified by the financial conditions and the profits of the Company. In addition, the Board may from time to time declare and pay special dividends on Shares of such amounts and on such dates as it thinks fit.

Except as otherwise provided by the rights attached to any Shares, all dividends and other distributions shall be paid according to the amounts paid up on the Shares that a member holds during the period in respect of which the dividends and distributions are paid. No amount paid up on a Share in advance of calls shall for this purpose be treated as paid up on the Share.

The Board may deduct from any dividends or other distributions payable to any member of the Company all sums of money (if any) then payable by him to the Company on account of calls or otherwise. The Board may retain any dividends or distributions payable on or in respect of a Share upon which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

No dividends or other distributions payable by the Company on or in respect of any Share shall carry interest against the Company.

Where the Board or the Company in general meeting has resolved that a dividend should be paid or declared, the Board may further resolve:

(a) that such dividend be satisfied in whole or in part in the form of an allotment of Shares credited as fully paid on the basis that the Shares so allotted shall be of the same class as the class already held by the allottee, provided that the members entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment; or

(b) that the members entitled to such dividend will be entitled to elect to receive an allotment of Shares credited as fully paid in lieu of the whole or such part of the dividend as the Board may think fit on the basis that the Shares so allotted shall be of the same class as the class already held by the allottee.

Upon the recommendation of the Board, the Company may by ordinary resolution resolve in respect of any one particular dividend of the Company determine that notwithstanding the foregoing, a dividend may be satisfied wholly in the form of an allotment of Shares credited as fully paid without offering any right to members to elect to receive such dividend in cash in lieu of such allotment.

Any dividends, distributions or other monies payable in cash in respect of Shares may be paid by wire transfer to the holder of such Shares or by cheque or warrant sent by post to the registered address of such holder, or in the case of joint holders, to the registered address of the holder who is first named on the register of members of the Company, or to such person and to such address as the holder or joint holders may in writing direct. Any one of two or more joint holders may give effectual receipts for any dividends, distributions or other monies payable in respect of the Shares held by them as joint holders.

Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared, the Board may further resolve that such dividend be satisfied in whole or in part by the distribution of specific assets of any kind.

Any dividends or other distributions which remain unclaimed for six years from the date on which such dividends or distributions become payable shall be forfeited and shall revert to the Company.

2.8 Inspection of Corporate Records

For so long as any part of the share capital of the Company is listed on the Stock Exchange, any member may inspect any register of members of the Company maintained in Hong Kong (except when the register of members is closed in accordance with the Companies Ordinance) without charge and require the provision to him of copies or extracts of such register in all respects as if the Company were incorporated under and were subject to the Companies Ordinance.

2.9 Rights of Minorities in relation to Fraud or Oppression

There are no provisions in the Articles concerning the rights of minority members in relation to fraud or oppression. However, certain remedies may be available to members of the Company under the Cayman Islands laws, as summarised in paragraph 3.6 below.

2.10 Procedures on Liquidation

Subject to the Companies Act, the members of the Company may by special resolution resolve to wind up the Company voluntarily or by the court.

Subject to any rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of Shares:

(a) if the assets available for distribution among the members of the Company are more than sufficient to repay the whole of the Company's paid up capital at the commencement of the winding up, the surplus shall be distributed *pari passu* among such members in proportion to the amount paid up on the Shares held by them at the commencement of the winding up; and

(b) if the assets available for distribution among the members of the Company are insufficient to repay the whole of the Company's paid up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or ought to be paid up, on the Shares held by them at the commencement of the winding up.

If the Company is wound up (whether the liquidation is voluntary or compelled by the court), the liquidator may, with the approval of a special resolution and any other approval required by the Companies Act, divide among the members in kind the whole or any part of the assets of the Company, whether the assets consist of property of one kind or different kinds, and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be so divided and may determine how such division shall be carried out as between the members or different classes of members and the members within each class. The liquidator may, with the like approval, vest any part of the assets in trustees upon such trusts for the benefit of the members as the liquidator thinks fit, provided that no member shall be compelled to accept any shares or other property upon which there is a liability.

3. COMPANY LAWS OF THE CAYMAN ISLANDS

The Company was incorporated in the Cayman Islands as an exempted company on 17 May 2022 subject to the Companies Act. Certain provisions of the company laws of the Cayman Islands are set out below but this section does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of the company laws of the Cayman Islands, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar.

3.1 Company Operations

An exempted company such as the Company must conduct its operations mainly outside the Cayman Islands. An exempted company is also required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the amount of its authorised share capital.

3.2 Share Capital

Under the Companies Act, a Cayman Islands company may issue ordinary, preference or redeemable shares or any combination thereof. Where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on those shares shall be transferred to an account, to be called the share premium account. At the option of a company, these provisions may not apply to premium on shares of that company allotted pursuant to any arrangements in consideration of the acquisition or cancellation of shares in any other company and issued at a premium. The share premium account may be applied by the company subject to the provisions, if any, of its memorandum and articles of association, in such manner as the company may from time to time determine including, but without limitation, the following:

(a) paying distributions or dividends to members;

(b) paying up unissued shares of the company to be issued to members as fully paid bonus shares;

(c) any manner provided in section 37 of the Companies Act;

(d) writing-off the preliminary expenses of the company; and

(e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

Notwithstanding the foregoing, no distribution or dividend may be paid to members out of the share premium account unless, immediately following the date on which the distribution or dividend is proposed to be paid, the company will be able to pay its debts as they fall due in the ordinary course of business.

Subject to confirmation by the court, a company limited by shares or a company limited by guarantee and having a share capital may, if authorised to do so by its articles of association, by special resolution reduce its share capital in any way.

3.3 Financial Assistance to Purchase Shares of a Company or its Holding Company

There are no statutory prohibitions in the Cayman Islands on the granting of financial assistance by a company to another person for the purchase of, or subscription for, its own, its holding company's or a subsidiary's shares. Therefore, a company may provide financial assistance provided the directors of the company, when proposing to grant such financial assistance, discharge their duties of care and act in good faith, for a proper purpose and in the interests of the company. Such assistance should be on an arm's-length basis.

3.4 Purchase of Shares and Warrants by a Company and its Subsidiaries

A company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a member and, for the avoidance of doubt, it shall be lawful for the rights attaching to any shares to be varied, subject to the provisions of the company's articles of association, so as to provide that such shares are to be or are liable to be so redeemed. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares; an ordinary resolution of the company approving the manner and terms of the purchase will be required if the articles of association do not authorise the manner and terms of such purchase. A company may not redeem or purchase its shares unless they are fully paid. Furthermore, a company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any issued shares of the company other than shares held as treasury shares. In addition, a payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless, immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

Shares that have been purchased or redeemed by a company or surrendered to the company shall not be treated as cancelled but shall be classified as treasury shares if held in compliance with the requirements of section 37A(1) of the Companies Act. Any such shares shall continue to be classified as treasury shares until such shares are either cancelled or transferred pursuant to the Companies Act.

A Cayman Islands company may be able to purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. Thus there is no requirement under the Cayman Islands laws that a company's memorandum or articles of association contain a specific provision enabling such purchases. The directors of a company may under the general power contained in its memorandum of association be able to buy, sell and deal in personal property of all kinds.

A subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

3.5 Dividends and Distributions

Subject to a solvency test, as prescribed in the Companies Act, and the provisions, if any, of the company's memorandum and articles of association, a company may pay dividends and distributions out of its share premium account. In addition, based upon English case law which is likely to be persuasive in the Cayman Islands, dividends may be paid out of profits.

For so long as a company holds treasury shares, no dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the company's assets (including any distribution of assets to members on a winding up) may be made, in respect of a treasury share.

3.6 Protection of Minorities and Shareholders' Suits

It can be expected that the Cayman Islands courts will ordinarily follow English case law precedents (particularly the rule in the case of *Foss vs. Harbottle* and the exceptions to that rule) which permit a minority member to commence a representative action against or derivative actions in the name of the company to challenge acts which are ultra vires, illegal, fraudulent (and performed by those in control of the Company) against the minority, or represent an irregularity in the passing of a resolution which requires a qualified (or special) majority which has not been obtained.

Where a company (not being a bank) is one which has a share capital divided into shares, the court may, on the application of members holding not less than one-fifth of the shares of the company in issue, appoint an inspector to examine the affairs of the company and, at the direction of the court, to report on such affairs. In addition, any member of a company may petition the court, which may make a winding up order if the court is of the opinion that it is just and equitable that the company should be wound up.

In general, claims against a company by its members must be based on the general laws of contract or tort applicable in the Cayman Islands or be based on potential violation of their individual rights as members as established by a company's memorandum and articles of association.

3.7 Disposal of Assets

There are no specific restrictions on the power of directors to dispose of assets of a company, however, the directors are expected to exercise certain duties of care, diligence and skill to the standard that a reasonably prudent person would exercise in comparable circumstances, in addition to fiduciary duties to act in good faith, for proper purpose and in the best interests of the company under English common law (which the Cayman Islands courts will ordinarily follow).

3.8 Accounting and Auditing Requirements

A company must cause proper records of accounts to be kept with respect to: (i) all sums of money received and expended by it; (ii) all sales and purchases of goods by it; and (iii) its assets and liabilities.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

If a company keeps its books of account at any place other than at its registered office or any other place within the Cayman Islands, it shall, upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Act (2021 Revision) of the Cayman Islands, make available, in electronic form or any other medium, at its registered office copies of its books of account, or any part or parts thereof, as are specified in such order or notice.

3.9 Exchange Control

There are no exchange control regulations or currency restrictions in effect in the Cayman Islands.

3.10 Taxation

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save for certain stamp duties which may be applicable, from time to time, on certain instruments.

3.11 Stamp Duty on Transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies save for those which hold interests in land in the Cayman Islands.

3.12 Loans to Directors

There is no express provision prohibiting the making of loans by a company to any of its directors. However, the company's articles of association may provide for the prohibition of such loans under specific circumstances.

3.13 Inspection of Corporate Records

The members of a company have no general right to inspect or obtain copies of the register of members or corporate records of the company. They will, however, have such rights as may be set out in the company's articles of association.

3.14 Register of Members

A Cayman Islands exempted company may maintain its principal register of members and any branch registers in any country or territory, whether within or outside the Cayman Islands, as the company may determine from time to time. There is no requirement for an exempted company to make any returns of members to the Registrar of Companies in the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection. However, an exempted company shall make available at its registered office, in electronic form or any other medium, such register of members, including any branch register of member, as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Act (2021 Revision) of the Cayman Islands.

3.15 Register of Directors and Officers

Pursuant to the Companies Act, the Company is required to maintain at its registered office a register of directors, alternate directors and officers. The Registrar of Companies shall make available the list of the names of the current directors of the Company (and, where applicable, the current alternate directors of the Company) for inspection by any person upon payment of a fee by such person. A copy of the register of directors and officers must be filed with the Registrar of Companies in the Cayman Islands, and any change must be notified to the Registrar of Companies within 30 days of any change in such directors or officers, including a change of the name of such directors or officers.

3.16 Winding up

A Cayman Islands company may be wound up by: (i) an order of the court; (ii) voluntarily by its members; or (iii) under the supervision of the court.

The court has authority to order winding up in a number of specified circumstances including where, in the opinion of the court, it is just and equitable that such company be so wound up.

A voluntary winding up of a company (other than a limited duration company, for which specific rules apply) occurs where the company resolves by special resolution that it be wound up voluntarily or where the company in general meeting resolves that it be wound up voluntarily because it is unable to pay its debt as they fall due. In the case of a voluntary winding up, the company is obliged to cease to carry on its business from the commencement of its winding up except so far as it may be beneficial for its winding up. Upon appointment of a voluntary liquidator, all the powers of the directors cease, except so far as the company in general meeting or the liquidator sanctions their continuance.

In the case of a members' voluntary winding up of a company, one or more liquidators are appointed for the purpose of winding up the affairs of the company and distributing its assets.

As soon as the affairs of a company are fully wound up, the liquidator must make a report and an account of the winding up, showing how the winding up has been conducted and the property of the company disposed of, and call a general meeting of the company for the purposes of laying before it the account and giving an explanation of that account.

When a resolution has been passed by a company to wind up voluntarily, the liquidator or any contributory or creditor may apply to the court for an order for the continuation of the winding up under the supervision of the court, on the grounds that: (i) the company is or is likely to become insolvent; or (ii) the supervision of the court will facilitate a more effective, economic or expeditious liquidation of the company in the interests of the contributories and creditors. A supervision order takes effect for all purposes as if it was an order that the company be wound up by the court except that a commenced voluntary winding up and the prior actions of the voluntary liquidator shall be valid and binding upon the company and its official liquidator.

For the purpose of conducting the proceedings in winding up a company and assisting the court, one or more persons may be appointed to be called an official liquidator(s). The court may appoint to such office such person or persons, either provisionally or otherwise, as it thinks fit, and if more than one person is appointed to such office, the court shall declare whether any act required or authorised to be done by the official liquidator is to be done by all or any one or more of such persons. The court may also determine whether any and what security is to be given by an official liquidator on his appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the court.

3.17 Mergers and Consolidations

The Companies Act permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (a) "merger" means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company, and (b) "consolidation" means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorised by (a) a special resolution of each constituent company and (b) such other authorisation, if any, as may be specified in such constituent company's articles of association. The written plan of merger or consolidation must be filed with the Registrar of Companies of the Cayman Islands together with a declaration as to the solvency of the consolidated or surviving company, a list of the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Dissenting members have the right to be paid the fair value of their shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) if they follow the required procedures, subject to certain exceptions. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

3.18 Mergers and Consolidations involving a Foreign Company

Where the merger or consolidation involves a foreign company, the procedure is similar, save that with respect to the foreign company, the directors of the Cayman Islands exempted company are required to make a declaration to the effect that, having made due enquiry, they are of the opinion that the requirements set out below have been met: (i) that the merger or consolidation is permitted or not prohibited by the constitutional documents of the foreign company and by the laws of the jurisdiction in which the foreign company is incorporated, and that those laws and any requirements of those constitutional documents have been or will be complied with; (ii) that no petition or other similar proceeding has been filed and remains outstanding or order made or resolution adopted to wind up or liquidate the foreign company in any jurisdictions; (iii) that no receiver, trustee, administrator or other similar person has been appointed in any jurisdiction and is acting in respect of the foreign company, its affairs or its property or any part thereof; (iv) that no scheme, order, compromise or other similar arrangement has been entered into or made in any jurisdiction whereby the rights of creditors of the foreign company are and continue to be suspended or restricted.

Where the surviving company is the Cayman Islands exempted company, the directors of the Cayman Islands exempted company are further required to make a declaration to the effect that, having made due enquiry, they are of the opinion that the requirements set out below have been met: (i) that the foreign company is able to pay its debts as they fall due and that the merger or consolidated is bona fide and not intended to defraud unsecured creditors of the foreign company; (ii) that in respect of the transfer of any security interest granted by the foreign company to the surviving or consolidated company (a) consent or approval to the transfer has been obtained, released or waived; (b) the transfer is permitted by and has been approved in accordance with the constitutional documents of the foreign company; and (c) the laws of the jurisdiction of the foreign company with respect to the transfer have been or will be complied with; (iii) that the foreign company will, upon the merger or consolidation becoming effective, cease to be incorporated, registered or exist under the laws of the relevant foreign jurisdiction; and (iv) that there is no other reason why it would be against the public interest to permit the merger or consolidation.

3.19 Reconstructions and Amalgamations

Reconstructions and amalgamations may be approved by (i) 75% in value of the members or class of members or (ii) a majority in number representing 75% in value of the creditors or class of creditors, in each case depending on the circumstances, as are present at a meeting called for such purpose and thereafter sanctioned by the Grand Court of the Cayman Islands. Whilst a dissenting member has the right to express to the court his view that the transaction for which approval is being sought would not provide the members with a fair value for their shares, it can be expected that the court would approve the transaction if it is satisfied that (i) the company is not proposing to act illegally or beyond the scope of our corporate authority and the statutory provisions as to majority vote have been complied with, (ii) the members have been fairly represented at the meeting in question, (iii) the transaction is such as a businessman would reasonable approve and (iv) the transaction is not one that would more properly be sanctioned under some other provisions of the Companies Act or that would amount to a "fraud on the minority".

If the transaction is approved, no dissenting member would have any rights comparable to the appraisal rights (namely the right to receive payment in cash for the judicially determined value of his shares), which may be available to dissenting members of corporations in other jurisdictions.

3.20 Takeovers

Where an offer is made by a company for the shares of another company and, within four months of the offer, the holders of not less than 90% of the shares which are the subject of the offer accept, the offeror may, at any time within two months after the expiration of that four-month period, by notice require the dissenting members to transfer their shares on the terms of the offer. A dissenting member may apply to the Cayman Islands courts within one month of the notice objecting to the transfer. The burden is on the dissenting member to show that the court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority members.

3.21 Indemnification

The Cayman Islands laws do not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, save to the extent any such provision may be held by the court to be contrary to public policy, for example, where a provision purports to provide indemnification against the consequences of committing a crime.

3.22 Economic Substance

The Cayman Islands enacted the International Tax Co-operation (Economic Substance) Act (2024 Revision) together with the Guidance Notes published by the Cayman Islands Tax Information Authority from time to time. If a company is considered to be a "relevant entity" and is conducting one or more of the nine "relevant activities", then such company will be required to comply with the economic substance requirements in relation to the relevant activity from 1 July 2019. All companies whether a relevant entity or not is required to file an annual report with the Registrar of Companies of the Cayman Islands confirming whether or not it is carrying on any relevant activities and if it is, it must satisfy an economic substance test.

4. GENERAL

Harney Westwood & Riegels, the Company's legal adviser on Cayman Islands laws, has sent to the Company a letter of advice summarising the aspects of the Companies Act set out in section 3 above. This letter, together with copies of the Companies Act, the Memorandum and the Articles, is on display on the websites of the Stock Exchange and the Company as referred to in the paragraph headed "Documents on display" in Appendix V. Any person wishing to have a detailed summary of the Companies Act or advice on the differences between it and the laws of any jurisdiction with which he is more familiar is recommended to seek independent legal advice.

A. FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation

Our Company was incorporated under the laws of the Cayman Islands on May 17, 2022, as an exempted company with limited liability. Our registered office is at the Office of Harneys Fiduciary (Cayman) Limited, 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands. Our Company's headquarters is located at Building 333, Tongren Road, Tongxiang, Jiaxing City, Zhejiang Province, PRC.

Accordingly, our Company's corporate structure and the Articles are subject to the relevant laws of the Cayman Islands. A summary of our Articles is set out in "Appendix III — Summary of the Constitution of the Company and Cayman Islands Company Law."

Our Company has established a principal place of business in Hong Kong at 40/F, Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong and have been registered until the Registrar of Companies in Hong Kong as a non-Hong Kong Company under Part 16 of the Companies Ordinance on July 12, 2024. Ms. JIAN Xuegen (簡雪艮) at 40/F, Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong has been appointed as the authorized representative of our Company for the acceptance of service of process and notice in Hong Kong.

2. Changes in Share Capital of Our Company

As of May 17, 2022, being the date of incorporation of our Company, our authorized share capital was US$50,000.00 divided into 500,000,000 Shares and our issued share capital was US$10,000 divided into 10,000 Shares with a par value of US$0.0001 each.

On May 14, 2024, our Company allotted and issued 99,163,500 shares and 826,500 shares to Snowy Limited and NRV Benefit Limited, respectively, for a consideration at par value and credited as fully paid.

On November 22, 2024, the authorized share capital of our Company was increased from US$50,000 divided into 500,000,000 Shares to US$200,000 divided into 2,000,000,000 Shares by the creation of additional 1,500,000,000 Shares, which rank *pari passu* in all respects with the Shares in issue.

Save as disclosed herein, there has been no alteration in our share capital and no redemption, repurchase or sale of any of our share capital within two years immediately preceding the date of this Prospectus.

3. Changes in the Share Capital of Our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in Note 1 to the Accountants' Report as set out in Appendix I to this Prospectus.

The following sets out the changes in share capital of our major operating subsidiaries that made a material contribution to our results of operations during the two years immediately preceding the date of this Prospectus.

LONGTREE RV

On November 13, 2023, LONGTREE RV was incorporated in the BVI as a BVI business company with a issued share capital of US$50,000 comprising 50,000 ordinary shares, which is held as to 100% by the Company.

New Gonow HK

On November 23, 2023, New Gonow HK was incorporated in Hong Kong with an issued capital of HK$10,000 comprising of 10,000 ordinary shares, which was allotted and issued to New Gonow BVI on November 23, 2023.

Xing Longtree

On January 15, 2024, Xing Longtree was incorporated in the PRC as a limited liability company with a registered capital of RMB100,000,000, which is held as to 100% by New Gonow HK.

For details of our principal operating subsidiaries, see "History, Reorganization and Corporate Structure — Corporate Development — Subsidiaries of Regent Company."

Save as disclosed above, there has been no alteration in the share capital of any of the principal operating entities of the Company within the two years immediately preceding the date of this Prospectus.

4. Resolutions of Our Shareholders in Relation to the Global Offering

Pursuant to the written resolutions of our Shareholders passed on November 22, 2024, the following resolutions, among other things, were duly passed:

(a) the Articles of Association be and was thereby approved and adopted with immediate effect and the Articles of Association be and were thereby conditionally approved and adopted which will come into effect on the Listing Date;

(b) the authorized share capital of our Company be increased from US$50,000 divided into 500,000,000 Shares to US$200,000 divided into 2,000,000,000 Shares by the creation of additional 1,500,000,000 Shares, which rank *pari passu* in all respects with the Shares in issue;

(c) conditional upon (i) the Listing Committee granting listing of, and permission to deal in, the Shares in issue and to be issued as to be stated in this Prospectus and such listing and permission not subsequently having been revoked prior to the commencement of dealing in the Shares on the Stock Exchange; (ii) the Offer Price having been determined; (iii) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional and not being terminated in accordance with the terms of the Underwriting Agreements or otherwise, in each case on or before such dates as may be specified in the Underwriting Agreements; and (iv) the Underwriting Agreements having been duly executed by the Underwriters and our Company,

(i) conditional upon the share premium account of our Company being credited as a result of the Global Offering, our Directors were authorized to capitalize an amount of US$62,000 standing to the credit of the share premium account of our Company by applying such sum in paying in full at par 620,000,000 Shares for allotment and issue to holders of Shares whose names appear on the register of members of our Company on the date of passing of this resolution (as nearly as possible without involving fractions so that no fraction of a Share shall be allotted and issued) in accordance to their then existing holdings in our Company and so that the Shares to be allotted and issued pursuant to this resolution should rank *pari passu* in all respects with the then existing issued Shares and our Directors were authorized to give effect to such capitalization;

(ii) the Global Offering (including the Over-allotment Option) was approved, subject to such modifications as our Directors (or any committee established by our Board) may in their sole discretion determine, and our Directors be authorized to effect the same and to allot and issue the Offer Shares at the Offer Price (such Offer Shares to be allotted and issued shall rank equally in all respects with the other issued Shares) pursuant to the Global Offering;

(iii) a general unconditional mandate was given to our Directors to exercise all powers of our Company to allot, issue and deal with Shares (including the power to sell or transfer any treasury Shares or grant securities which would or might require Shares to be allotted and issued or treasury Shares to be sold or transferred) or securities convertible into Shares, and to make or grant offers, agreements or options (including any warrants, bonds, notes and debentures conferring any rights to subscribe for or otherwise receive Shares) which might require such Shares to be allotted and issued or dealt with at any time, subject to the requirement that the aggregate nominal or par value of the Shares so allotted and issued or agreed conditionally or unconditionally to be allotted and issued, shall not exceed 20% of the aggregate nominal value of the Shares in issue (excluding treasury Shares, if any) immediately following the completion of the Capitalization Issue and the Global Offering, excluding any Shares to be allotted, issued, or dealt with under a rights issue or scrip dividend scheme or similar arrangements or a specific authority granted by our Shareholders or upon the exercise of the Over-allotment Option;

(iv) a general unconditional mandate (the "**Repurchase Mandate**") was given to our Directors to exercise all powers of our Company to repurchase on the Stock Exchange or on any other stock exchange on which the securities of our Company may be listed and which is recognized by the SFC and the Stock Exchange for this purpose, such number of Shares as will represent up to 10% of the aggregate nominal or par value of the Shares in issue immediately following the completion of the Capitalization Issue and the Global Offering, excluding treasury Shares and any Shares which may fall to be issued pursuant to the exercise of the Over-allotment Option;

(v) the general unconditional mandate as mentioned in paragraph (ii) above was extended by the addition to the aggregate nominal value of the Shares which may be allotted and issued or agreed to be allotted and issued by our Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the Shares purchased by our Company pursuant to the mandate to purchase Shares referred to in paragraph (iii) above up to 10% of the aggregate nominal or par value of the Shares in issue immediately following the completion of the Capitalization Issue and the Global Offering, excluding any treasury Shares or any Shares which may fall to be issued pursuant to the exercise of the Over-allotment Option;

(vi) the grant of the Over-allotment Option by our Company to the International Underwriters to allot and issue up to 15% of the Offer Shares initially available under the Global Offering to cover the over-allocations in the International Offering was approved and our Directors be authorized to effect the same and to allot and issue the Shares at the Offer Price (such Shares to be allotted and issued shall rank equally in all respects with the other issued Shares) pursuant to the exercise of the Over-allotment Option;

(vii) a committee comprising of Mr. Miao Xuezhong and Mr. Liu Tao be authorized to agree with the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) on the Offer Price for the Hong Kong Public Offering and the International Offering and approve such Offer Price;

(viii) our Directors (or any committee established by our Board) be and is hereby authorized to approve the transfer (including under any stock borrowing agreement, if any) of such number of Shares in connection with the Global Offering on and subject to the terms and conditions stated in the Prospectus; and

(ix) the proposed Listing was approved and our Directors were authorized to implement such Listing.

Each of the general mandates referred to in paragraphs (b)(ii), (b)(iii) and (b)(iv) above will remain in effect until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of our Company;

(ii) the expiration of the period within which the next annual general meeting of our Company is required to be held by any applicable law or the Articles of Association; or

(iii) the time when such mandate is revoked or varied by an ordinary resolution of the Shareholders in a general meeting.

5. Restriction on Share Repurchases

This section sets out information required by the Stock Exchange to be included in this Prospectus concerning the repurchase by our Company of its own securities.

(a) Provisions of the Listing Rules

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their own securities on the Stock Exchange subject to certain restrictions, the more important of which are summarized below:

(i) Shareholders' approval

All proposed repurchase of securities (which must be fully paid up in the case of shares) by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of the Shareholders, either by way of general mandate or by specific approval of a particular transaction.

Pursuant to a resolution passed by our Shareholders on November 22, 2024, the Repurchase Mandate was given to our Directors authorizing them to exercise all powers of our Company to repurchase Shares on the Stock Exchange, or on any other stock exchange on which the securities of our Company may be listed and which is recognized by the SFC and the Stock Exchange for this purpose, with a total nominal value up to 10% of the aggregate nominal value of our Shares in issue immediately following the completion of the Global Offering (excluding any Shares which may be issued under the Over-allotment Option), with such mandate to expire at the earliest of (i) the conclusion of the next annual general meeting of our Company (unless otherwise renewed by an ordinary resolution of our Shareholders in a general meeting, either unconditionally or subject to conditions), (ii) the expiration of the period within our Company's next annual general meeting is required by our Articles of Association or any other applicable laws to be held, and (iii) the date when it is varied or revoked by an ordinary resolution of our Shareholders in general meeting.

(ii) Source of funds

Repurchases must be funded out of funds legally available for the purpose in accordance with the Articles of Association and the Listing Rules and the applicable laws of Cayman Islands and other applicable laws and regulations. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange in effect from time to time.

Subject to the foregoing, any repurchases by us may be made out of profits of our Company, out of share premium, or out of the proceeds of a new issue of shares made for the purpose of the repurchase or, subject to the Cayman Companies Act, out of capital. Any amount of premium payable on the purchase over the par value of the shares to be repurchased must be out of profits of our Company, out of share premium, or, subject to the Cayman Companies Act, out of capital.

(iii) Connected parties

The Listing Rules prohibit our Company from knowingly repurchasing the Shares on the Stock Exchange from a "core connected person", which includes a Director, chief executive or substantial Shareholder of our Company or any of the subsidiaries or a close associate of any of them and a core connected person shall not knowingly sell Shares to our Company.

(iv) Reasons for Repurchase

Our Directors believe that it is in the best interest of our Company and our Shareholders as a whole for our Directors to have general authority from our Shareholders to enable our Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of our Company's net asset value per Share and/or earnings per Share and will only be made where our Directors believe that such repurchases will benefit our Company and our Shareholders.

(v) Funding of Repurchases

In repurchasing Shares, our Company may only apply funds legally available for such purpose in accordance with the Articles of Association, the Listing Rules, the Cayman Islands Companies Law and the applicable laws of the Cayman Islands.

On the basis of our current financial condition as disclosed in this Prospectus and taking into account our current working capital position, our Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on our working capital and/or our gearing position as compared with the position disclosed in this Prospectus. However, our Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on our working capital requirements or the gearing levels which in the opinion of our Directors are from time to time appropriate for us.

(vi) General

The exercise in full of the Repurchase Mandate, on the basis of 960,000,000 Shares in issue after completion of the Capitalization Issue and the Global Offering (assuming the Over-allotment Option is not exercised), would accordingly result in up to 96,000,000 Shares being repurchased by our Company during the period in which the Repurchase Mandate remains in force.

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules) currently intends to sell any Share(s) to our Company or our subsidiaries. Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the Articles of Association, the Cayman Islands Companies Law or any other applicable laws of Cayman Islands.

If, as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of our Company is increased, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of our Company and may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code as a result of such increase. Save as disclosed above, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

Our Directors will not exercise the Repurchase Mandate if the repurchase would result in the number of Shares which are in the hands of the public falling below 25% of the total number of Shares in issue (or such other percentage as many be prescribed as the minimum public shareholding under the Listing Rules).

No core connected person of our Company has notified us that he/she/it has a present intention to sell Shares to our Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

6. Corporate Reorganization

The companies comprising our Group underwent the Reorganization for streamlining our corporate structure. See "History, Reorganization and Corporate Structure — Reorganization" for further details.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by us within the two years preceding the date of this Prospectus and are or may be material:

(a) Deed of Indemnity; and

(b) the Hong Kong Underwriting Agreement.

2. Intellectual Property Rights of Our Group

(a) Patents

Registered Patents

As of the Latest Practicable Date, we had the right to use the following patents which we consider to be or may be material to our business:

No.	Patent	Patentee	Place of Registration	Patent Number	Application Date	Expiry Date
1.	A type of RV wall suitable for cold regions (一種適用於寒冷地區的房車牆體)	Xing Longtree	PRC	ZL201520698239.0	September 10, 2015	September 9, 2025
2.	A type of RV wall suitable for cold regions (一種用於房車的液化氣瓶支架)	Xing Longtree	PRC	ZL201620770154.3	July 21, 2016	July 20, 2026

(b) Trademarks

(i) Registered Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Place of Registration	Registration No.	Registered Owner	Class(es)	Registration Date	Expiry Date
1.	REGENT	Australia	897369	Regent Company	12	December 6, 2001	December 6, 2031
2.	MONARCH	Australia	916130	Regent Company	12	June 13, 2002	June 13, 2032
3.	Regent Cruiser	Australia	1174643	Regent Company	12	May 3, 2007	May 3, 2027
4.	Regent X-[illegible]	Australia	1174644	Regent Company	12	May 3, 2007	May 3, 2027
5.	Regent Parklane	Australia	1174645	Regent Company	12	May 3, 2007	May 3, 2027
6.	Regent Caravans	Australia	1174646	Regent Company	12	May 3, 2007	May 3, 2027
7.	Regent Brentwood	Australia	1174647	Regent Company	12	May 3, 2007	May 3, 2027
8.	MAYFAIR	Australia	1282677	Regent Company	12	January 27, 2009	January 27, 2029
9.	Discoverer	Australia	1514368	Regent Company	12	September 24, 2012	September 24, 2032
10.	Snowy River Caravans	Australia	1928836	Regent Company Snowy River RV Company	12	May 23, 2018	May 23, 2028
11.	OBSERVER	Australia	2032856	Regent Company	12	August 26, 2019	August 26, 2029
12.	REGENT CARAVANS	Australia	2134127	Regent Company	12	November 6, 2020	November 6, 2030
13.	SNOWY RIVER CARAVANS	Australia	2155385	Regent Company	12	February 11, 2021	February 11, 2031
14.	ALOPEX	Australia	2319631	Regent Company	12, 17	December 12, 2022	December 12, 2032

No.	Trademark	Place of Registration	Registration No.	Registered Owner	Class(es)	Registration Date	Expiry Date
15.	ALOPEX CONSTRUCTION	Australia	2319632	Regent Company	12, 17	December 12, 2022	December 12, 2032

(ii) Trademarks under Application

As of the Latest Practicable Date, we had also applied for the registration for the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Place of Registration	Application No.	Applicant	Class	Application Date
1.	NEWGEN CARAVANS	Australia	2453412	Leisure Lion	12, 35, 37	May 27, 2024

(c) Domain Names

As of the Latest Practicable Date, we or our JV partner had registered and maintained ownership to the following domain names in Australia which we consider to be or may be material to our business:

No.	Domain Name	Registrant	Registration Date	Expiry Date
1.	www.newgonowrv.hk	Our Company	May 6, 2024	May 6, 2025
2.	snowyrivercaravans.com.au	Regent Company	May 22, 2024	February 16, 2025
3.	regentcaravans.com.au	Regent Company	May 22, 2024	March 4, 2025
4.	regentrvperth.com.au	Snowy River RV Company	May 22, 2024	December 7, 2025
5.	newgencaravans.com.au	Green RV	January 7, 2019	June 9, 2025

Save as disclosed above, as of the Latest Practicable Date, there were no other patents, trade or service marks, intellectual or industrial property rights which are or may be material in relation to our business.

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Particulars of Directors' Service Contracts and Letters of Appointment

(a) Executive Directors

Each of Mr. Miao, Mr. Liu Tao, Ms. Liu Qin and Mr. Andrew Robert Crank, being our executive Directors, has entered into a service contract with our Company on November 22, 2024. The service contract is for an initial term of three years commencing from the Listing Date. The service contract may be renewed in accordance with the Articles and the applicable laws, rules and regulations.

(b) Independent non-executive Directors

Each of, Ms. He Jie, Mr. Yu Mingyang and Ms. Ng Weng Sin, being our independent non-executive Directors, has entered into a letter of appointment with our Company on November 22, 2024. Each letter of appointment is for an initial term of three years commencing from the Listing Date. The letters of appointment may be renewed in accordance with the Articles and the applicable laws, rules and regulations.

2. Remuneration of Directors

The aggregate remuneration (including fees, salaries, contribution to pension schemes, housing allowances, other allowances and benefits-in-kind and discretionary bonuses) paid to our Directors for the three years ended December 31, 2023 and for the six months ended June 30, 2024, were approximately RMB1.2 million, RMB1.5 million, RMB2.5 million and RMB1.6 million, respectively.

Based on the arrangements in force as of the Latest Practicable Date, it is estimated that the total remuneration paid to the Directors for the year ending December 31, 2024 will be approximately RMB4.2 million.

During the Track Record Period, no remuneration was paid by us to, or receivable by, our Directors or the five highest paid individuals as an inducement to join or upon joining our Company. No compensation was paid by us to, or receivable by, our Directors, former Directors or the five highest-paid individuals for each of the Track Record Period for the loss of any office in connection with the management of the affairs of any members of our Group. Furthermore, none of the Directors had waived agreed to waive any emoluments during the same periods.

Save as disclosed above, no other payments have been made or are payable in respect of the three years ended December 31, 2023 and for the six months ended June 30, 2024 by any member of our Group to any of our Directors.

3. Disclosure of interests

Disclosure of Interests of Directors and chief executive of our Company

Immediately following the completion of the Capitalization Issue and the Global Offering (assuming the Over-allotment Option is not exercised), the interest or short position of our Directors or chief executives of our Company in the Shares, underlying shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, to be notified to our Company and the Stock Exchange, once the Shares are listed, are as follows:

Interest in the Shares of our Company

Name of Director or chief executive	Nature of interest(1)	Number of Shares	Approximate percentage of shareholding of the Company's share capital upon completion of the Capitalization Issue and the Global Offering (assuming the Over-allotment Option is not exercised)
Mr. Miao	Interest in controlled corporations(2) Settlor of a discretionary trust(2)	99,173,500	74.4%
Mr. Liu Tao	Beneficial owner	297,750	0.223%
Ms. Liu Qin	Beneficial owner	297,750	0.223%
Mr. Andrew Robert Crank	Beneficial owner	62,000	0.047%

Notes:

(1) All interests stated are long positions.

(2) Snowy Limited is held by M.X.Z Holdings as to 1%, and M.X.Z Holdings is in turn a wholly-owned company of Mr. Miao. Hence, Mr. Miao is deemed to be interested in the Shares held by Snowy Limited under the SFO.

Snowy Limited is also held by Miao Wanyi Holdings as to 99%. Miao Wanyi Holdings is a company incorporated in the BVI and is held as to 100% by Miao Wanyi Trust, which was established by Mr. Miao as the settlor. Dedao Trust Limited is the trustee of the Miao Wanyi Trust, and WDH Holdings and MWY Holdings are the beneficiaries of the Miao Wanyi Trust.

(3) As of the Latest Practicable Date, Mr. Liu Tao was granted 297,750 options by our Company pursuant to the Pre-IPO Share Option Scheme, upon the exercise of which the same number of Shares will be issued to him.

(4) As of the Latest Practicable Date, Ms. Liu Qin was granted 297,750 options by our Company pursuant to the Pre-IPO Share Option Scheme, upon the exercise of which the same number of Shares will be issued to her.

(5) As of the Latest Practicable Date, Mr. Andrew Robert Crank was granted 62,000 options by our Company pursuant to the Pre-IPO Share Option Scheme, upon the exercise of which the same number of Shares will be issued to him.

Disclosure of interests of substantial shareholders

Save as disclosed in the section headed "Substantial Shareholders" in this Prospectus, our Directors are not aware of any other person who will, immediately following the completion of the Capitalization Issue and the Global Offering (assuming the Over-allotment Option is not exercised) have an interest or short position in the Shares or the underlying Shares which are required to be disclosed to our Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO, or directly or indirectly, be interested in 10% of more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at the general meetings of our Company.

4. Agency Fees or Commissions Received

Save as disclosed in this Prospectus, no commissions, discounts, brokerages or other special terms were granted within the two years preceding the date of this Prospectus in connection with the issue or sale of any capital or security of any member of our Group.

5. Disclaimers

Save as disclosed herein:

(a) none of our Directors or the chief executive of our Company has any interest or short position in the Shares, underlying shares or debentures of our Company or any of its associated corporation (within the meaning of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers once the Shares are listed;

(b) none of our Directors or any of the experts referred to under paragraph headed "E. Other Information — 12. Qualification of Experts" in this appendix has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately preceding the date of this Prospectus been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(c) none of our Directors is materially interested in any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to the business of our Group;

(d) none of our Directors has any existing or proposed service contracts with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation));

(e) so far as is known to our Directors or the chief executive of our Company, no person (not being a Director or chief executive of our Company) will, immediately following the completion of the Capitalization Issue and the Global Offering, have an interest or short position in the Shares or underlying shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of SFO or be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group; and

(f) none of our Directors or their respective close associates (as defined under the Listing Rules) or our Shareholders who are interested in more than 5% of the issued share capital of our Company has any interest in the five largest customers or the five largest suppliers of our Group.

D. PRE-IPO SHARE OPTION SCHEME

1. Purpose

The purpose of the Plan is to enable our Company to attract and retain highly qualified personnel who will contribute to our Company's success and to provide incentives to any officer, director, employee or consultant of our Company or of any of subsidiary (the "**Eligible Recipient**") selected by the Board to receive grants of share options pursuant to the Board's authority in Section 2 below (the "**Participants**"), that are linked directly to increases in shareholder value and will therefore inure to the benefit of all shareholders of our Company.

2. Administration

The Plan shall be administered by the Board. Pursuant to the terms of the Plan, the Board shall have the power and authority:

(a) to select those Eligible Recipients who shall be Participants;

(b) to determine whether and to what extent options to purchase the Shares reserved for issuance under the Plan pursuant to Section 6 below are to be granted (the "**Options**") hereunder to Participants;

(c) to determine the number of the Shares to be covered by each award under the Plan (the "**Award**") granted hereunder;

(d) to determine the terms and conditions, not inconsistent with the terms of the Plan, of each Award granted hereunder;

(e) to determine the terms and conditions, not inconsistent with the terms of the Plan, which shall govern all written instruments evidencing Options granted hereunder; and

(f) to determine the purchase of the Options according to the provisions of the Plan and the signed written agreement between our Company and the Participant setting forth the terms and conditions of the Award (the "**Stock Option Agreement**").

Subject to provisions of the then effective Articles, the Board shall have the authority, in its sole discretion, to adopt, alter and repeal such administrative rules, guidelines and practices governing the Plan as it shall from time to time deem advisable; to interpret the terms and provisions of the Plan and any Award issued under the Plan (and any Stock Option Agreement relating thereto); and to otherwise supervise the administration of the Plan.

All decisions made by the Board pursuant to the provisions of the Plan shall be final, conclusive and binding on all persons, including our Company and the Participants.

3. Shares Subject to Plan

The total number of shares of Ordinary Shares reserved and available for issuance under the Plan shall be 826,500 Shares (the "**Cap Award Number**"). Such shares shall be authorized and unissued Shares.

To the extent that an Option expires or is otherwise terminated without being exercised, such Shares shall again be available for issuance in connection with future Awards granted under the Plan prior to the Global Offering or other earlier date that the Board determines (the "**Latest Granting Date**"). If any Shares have been pledged as collateral for indebtedness incurred by a Participant in connection with the exercise of an Option and such Shares are returned to our Company in satisfaction of such indebtedness, such Shares shall again be available for issuance in connection with future Awards granted under the Plan prior to the Latest Granting Date. The number of Shares underlying the Options that are not granted by the Latest Granting Date will be deducted from the Cap Award Number.

4. Corporate Transactions

In the event of any merger, reorganization, consolidation, recapitalization, stock dividend or other change in corporate structure affecting the Ordinary Shares, subject to provisions of the Articles, an equitable substitution or proportionate adjustment shall be made in (i) the aggregate number of Shares reserved for issuance under the Plan, (ii) the kind, number and option price of Shares subject to outstanding Options granted under the Plan, in each case as may be determined by the Board. Such other substitutions or adjustments shall be made as may be determined by the Board, in its sole discretion but subject to provisions of the Articles. In connection with any event described in this paragraph, the Board may provide, in its sole discretion, for the cancellation of any outstanding Awards and payment in cash or other property therefor.

5. Eligibility

Eligible Recipients shall be eligible to be granted Options. The Participants under the Plan shall be selected from time to time by the Board, in its sole discretion, from among the Eligible Recipients.

6. Options

Options may be granted alone or in addition to other Awards granted under the Plan. Any Option granted under the Plan shall be in such form as the Board may from time to time approve, and the provisions of each Option need not be the same with respect to each Participant. Participants who are granted Options shall enter into a Stock Option Agreement with our Company, in such form as the Board shall determine, which Stock Option Agreement shall set forth, among other things, the per share price of Options at which a holder of an Award may purchase the Shares issuable upon exercise of the Award (the "**Exercise Price**") and provisions regarding exercisability of the Option granted thereunder. More than one Option may be granted to the same Participant and be outstanding concurrently hereunder.

Options granted under the Plan shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Board shall deem desirable:

(a) Option Exercise Price. The Exercise Price for the given Participant under Plan is discounted to 70% of the price offered to the cornerstone investor in the Company's Global Offering.

(b) Vesting. The Options shall become vested at such time or times and subject to such terms and conditions as shall be determined by the Board and reflected in the Stock Option Agreement, provided that the Options shall be vested four equal installments of twenty-five percent (25%) each of the aggregate number of Options. The first vesting commencement date, marking the start of the vesting for the initial portion, aligns with the Listing Date. The subsequent three vesting dates will occur every twelve months following the Listing Date, with each installment representing an additional twenty-five percent (25%) of the total Options.

(c) Acceleration of Vesting. Notwithstanding anything to the contrary contained in this Plan, if a Change in Control (as defined below) of our Company occurs, the Options of the Participant not vested under the Plan shall vest in full so that such vested Options shall, immediately prior to the effective date of either of the following approved transactions to which our Company is a party: (i) a merger or consolidation with or into any person or persons, including the sale of shares of our Company, in which the existing shareholders of our Company do not possess more than fifty percent (50%) of the total combined voting power of the company, or (ii) the sale, transfer or other disposition of all or substantially all of our Company's assets (the "**Change in Control**"), become exercisable and non-forfeitable.

(d) Exercisability. Except as otherwise provided in paragraph 6(c) and paragraph 6(g), no Option may be exercised at any time prior to the Global Offering or in violation of applicable laws.

(e) Method of Exercise. When the Participant will be required to exercise Options in the future, Company will timely notify the payment arrangement. If the Participant does not excise such Options within the prescribed period, the portion of the Options pertaining to this exercise opportunity will be considered void or canceled.

(f) Non-Transferability of Options. Except under the laws of descent and distribution or otherwise permitted by the Board, the Participant shall not be permitted to sell, transfer, pledge or assign any Option, and all Options shall be exercisable, during the Participant's lifetime, only by the Participant.

(g) Special adjustment or exit mechanism. Termination of employment or service, or application to withdraw from Plan while still working in our Company or subsidiary of our Company to which a Participant provides services as an Employee, Consultant or as a Director (the "**Service Recipient**"), shall have the following effects on Options granted to the Participants:

(i) Dismissal for Cause. If a Participant's employment by or service to the Service Recipient is terminated by the Service Recipient for Cause, the Participant's Options will terminate upon such termination of employment or service, whether or not the Option is then vested, exercisable or exercised;

For purposes of this Plan, the "**Cause**" shall mean any act involving one or more of the following: (i) the Participant's unauthorized disclosure of any trade secret or confidential information of our Company or its subsidiary of our Company, including without limitation, any term and condition of the Plan and any Award under the Plan; (ii) the commission of an act by any Participant which constitutes competition with our Company or its a of our Company or which induces any customer or supplier to breach a contract with our Company or a subsidiary of our Company; (iii) the Participant's damage of the interests or reputation of our Company or its Subsidiary; (iv) our Company or a subsidiary of our Company's suffering from material loss or damage due to the Participant's deliberation or gross negligence; or (v) the commission of any felony by the Participant.

(ii) Other Terminations of Employment or Service, or application to withdraw from Plan while still working in Service Recipient. If a Participant's employment by or service to the Service Recipient terminates for any reason other than a termination by the Service Recipient, or a Participant apply to withdraw from Plan while still working in Service Recipient:

a. If such Options were not vested, such options shall terminate and be forfeited upon the Participant's termination of employment or service. The Shares subject to the terminated portion of the Option shall revert to the Plan.

b. If such Options were vested, such Options shall be owned by the Participant, but shall not be exercised during within the first six months from our Company's listing date.

7. Forfeiture of the Options

Any unexercised portion of the Options can be immediately forfeited by our Company under one of the following conditions:

(a) Pursuant to other terms and conditions of this Plan or of the Stock Option Agreement; or

(b) If a Participant expressly waives his or her Option by submitting a written declaration to the Board.

8. Amendment and Termination

Subject to provisions of the Articles, the Board may amend, alter or discontinue the Plan, but no amendment, alteration, or discontinuation shall be made that would impair the rights of a Participant under any Award theretofore granted without such Participant's consent.

The Board may amend the terms of any Award theretofore granted, prospectively or retroactively, but, subject to paragraph 3 of this Plan, no such amendment shall impair the rights of any Participant without his or her consent.

Outstanding Share Options Granted under the Pre-IPO Share Option Scheme

As of the Latest Practicable Date, the number of underlying Shares pursuant to the outstanding share options granted under the Pre-IPO Share Option Scheme amounted to 826,500 Shares, representing approximately 0.62% of the issued Shares immediately following the completion of the Capitalization Issue and the Global Offering (assuming that the Over-allotment Option is not exercised).

As all of the Shares underlying the options under the Pre-IPO Share Option Scheme had been issued as of the Latest Practicable Date, there will not be any dilution effect on the shareholding of our Shareholders or our earnings per Share immediately following the completion of the Capitalization Issue and the Global Offering (assuming the Over-allotment Option is not exercised). As of the Latest Practicable date, all 826,500 options associated with 826,500 Shares were granted to eight Directors, senior management and other employees of the Group as listed below. No further options may be granted under the Pre-IPO Share Option Scheme after the Listing.

Name	Position	Address	Date of grant	Vesting period	Exercise period	Exercise price per Share	Number of Shares underlying the outstanding options[Note(1)]	Approximate % of issued shares immediately after completion of the Capitalization Issue and the Global Offering
						(RMB)		
Directors and senior management								
Liu Tao (劉濤)	Executive Director and chief financial officer of our Group	Room 102, No.1, Sub-lane 56 Lane 8889 Zhongchun Road Minhang District Shanghai, PRC	July 1, 2024	*Note 2*	*Note 3*	13.125	297,750	0.223%
Liu Qin (劉芹)	Executive Director and general manager of our Group	Room 2603, Building 24 Fusheng Mingdi Dongshan Street Nanhu District Jiaxing City Zhejiang Province, PRC	July 1, 2024	*Note 2*	*Note 3*	13.125	297,750	0.223%
Andrew Robert Crank	Executive Director and general manager of our Group	11 Warringine Creek Lane Bittern, 3918 Victoria Australia	July 1, 2024	*Note 2*	*Note 3*	13.125	62,000	0.047%
Other employees								
Andy HE (何其駿)	Finance manager of Regent RV	45 Hamel Street, Box Hill South, 3128 Victoria Australia	July 1, 2024	*Note 2*	*Note 3*	13.125	57,000	0.043%
YI Shanzhen (易善臻)	Technology manager	Group 1, Tangdian Village Huangzhai Town Shangshui County Henan Province, PRC	July 1, 2024	*Note 2*	*Note 3*	13.125	57,000	0.043%
LI Luyan (李陸晏)	Procurement deputy manager	No. 18, District 2 Lijia Village Lunan Street Luqiao District Taizhou City Zhejiang Province, PRC	July 1, 2024	*Note 2*	*Note 3*	13.125	55,000	0.041%
							826,500	0.62%

Notes:

(1) There is no consideration paid for the acceptance of the options.

(2) The options granted under the Pre-IPO Share Option Scheme will be vested in four equal installments of 25% of the aggregate number of options granted. The first installment will be vested on the Listing Date, and each subsequent installment will be vested every 12 months following the Listing Date.

(3) The options granted under the Pre-IPO Share Option Scheme can be exercised after vesting on any trading day but no options may be exercised within the first six months after the Listing Date, even if such options have vested.

E. OTHER INFORMATION

1. Estate Duty

We have been advised that no material liability for estate duty under PRC law or Australian law is likely to fall upon the Group.

2. Litigation

During the Track Record Period and up to the Latest Practicable Date, save as disclosed in this Prospectus and so far as our Directors are aware, no litigation or claim of material importance (to our Group's financial condition or results of operation) is pending or threatened against any member of our Group.

3. Sole Sponsor

The Sole Sponsor has made an application on our behalf to the Listing Committee of the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Shares to be issued as mentioned in this Prospectus. All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

The Sole Sponsor satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules. The total sponsor's fee paid and payable to the Sole Sponsor in connection with the Listing payable by our Company is USD800,000.

4. Compliance Advisor

Our Company has appointed Caitong International Capital Co., Limited as our Compliance Advisor in compliance with Rule 3A.19 of the Listing Rules.

5. Preliminary Expenses

We have not incurred any material preliminary expenses.

6. Promoters

Our Company has no promoter for the purposes of the Listing Rules. Within the two years immediately preceding the date of this Prospectus, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the Share Offer and the related transactions described in this Prospectus.

7. Consents of Experts

Each of the experts as referred to in "E. Other Information — 12. Qualification of Experts" in this Appendix has given and has not withdrawn its consent to the issue of this Prospectus with the inclusion of its view, report and/or letter and/or legal opinion (as the case may be) and references to its name included herein in the form and context in which it respectively appears.

None of the experts named above has any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company or any of our subsidiaries.

8. Binding Effect

This Prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

9. Bilingual Prospectus

The English language and Chinese language versions of this Prospectus are being published separately in reliance on the exemption provided in section 4 of the Companies Ordinance (Exemption of Companies and Prospectus from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

10. Taxation of Holders of Shares

(a) Hong Kong

The sale, purchase and transfer of Shares registered with our Hong Kong branch register of members will be subject to Hong Kong stamp duty. The current rate of Hong Kong stamp duty for such sale, purchase and transfer is 0.13% of the consideration or, if higher, the fair value of the Shares being sold or transferred. Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax. The Revenue (Abolition of Estate Duty) Ordinance 2005 came into effect on February 11, 2006 in Hong Kong. No Hong Kong estate duty is payable and no estate duty clearance papers are needed for a grant of representation in respect of holders of Shares whose death occurs on or after February 11, 2006.

(b) Cayman Islands

There is no stamp duty payable in the Cayman Islands on transfers of shares of Cayman Islands companies save for those which hold interests in land in the Cayman Islands.

(c) Consultation with Professional Advisors

Intending holders of the Shares are recommended to consult their professional advisors if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in the Shares. It is emphasized that none of our Company, our Directors or the other parties involved in the Global Offering will accept responsibility for any tax effect on, or liabilities of, holders of Shares resulting from their subscription for, purchase, holding or disposal of or dealing in the Shares or exercise of any rights attaching to them.

11. Indemnities

Our Controlling Shareholders (collectively, the "**Indemnifiers**") have entered into a deed of indemnity on November 22, 2024 (the "**Deed of Indemnity**") with and in favor of our Company, with effect from the Listing Date, to provide indemnities on a joint and several basis in respect of, among other matters, any claim to which any member of our Group may be subject and payable before the Listing Date, and all losses, liabilities or damages suffered by it in connection with the legal proceedings and/or non-compliance matters relating to, including but not limited to, the licenses required for our PRC and Australian operations, social insurance and housing provident fund contributions, lease registration, employment and statutory filings.

The Indemnifiers will, however, not be liable under the Deed of Indemnity for any claim (i) to the extent that such liability is incurred as a result of any event occurring after the Listing Date (which is not as a result of act or omission of any member of our Group), or a transaction which income or earnings have been obtained or purported to have been obtained, or an acquisition or sale of assets in the ordinary course of business; (ii) to the extent that such liability is incurred as a result of act or omission of any member of our Group without the prior written consent or agreement of the Indemnifiers; (iii) to the extent that such liability is discharged by another person who is not a member of our Group and confirms in writing that the Group is not required to reimburse such person in respect of such discharge of the liability; (iv) as a result of a retrospective change in the law coming in force after the Listing Date; (v) as a result of any force majeure event.

12. Qualification of Experts

The following are the qualifications of the experts who have given opinion or advice which are contained in this Prospectus:

Name	Qualifications
Huatai Financial Holdings (Hong Kong) Limited	A licensed corporation to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) regulated activities under the SFO
Hylands Law Firm	PRC Legal Advisor
Hogan Lovells	Australian Legal Advisor
Harney Westwood & Riegels	Cayman Islands Legal Advisor
Frost & Sullivan	Industry consultant
KPMG	Certified Public Accountants Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
Shanghai Jianjie Management Consulting Co., Ltd.	Tax advisor to our Company with respect to transfer pricing arrangement of our Group

13. No Material Adverse Change

Our Directors believe that there has been no material adverse change in the financial or trading position since June 30, 2024 (being the date on which the latest audited consolidated financial statements of the Group were prepared).

14. Miscellaneous

(a) save as disclosed in this Prospectus, within the two years immediately preceding the date of this Prospectus:

(i) no share or loan capital of our Company or any of our subsidiaries had been issued or agreed to be issued or proposed to be fully or partly paid either for cash or a consideration other than cash;

(ii) no commissions, discounts, brokerages or other special terms had been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries;

(iii) no commission had been paid or payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in our Company or any of our subsidiaries;

(b) save as disclosed in this Prospectus, no share or loan capital of our Company or any of our subsidiaries had been under option or agreed conditionally or unconditionally to be put under option;

(c) save as disclosed in this Prospectus, there are no founder, management or deferred shares, convertible debt securities nor any debentures in our Company or any of our subsidiaries;

(d) save as disclosed in this Prospectus, none of the persons named in the sub-paragraph headed "E. Other Information — 12. Qualification of Experts" in this appendix is interested beneficially or otherwise in any shares of any member of our Group or has any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any securities in any member of our Group;

(e) our Directors confirm that there has been no material adverse change in the financial or trading position of our Group since June 30, 2024 (being the date to which the latest audited consolidated financial statements of our Group were made up);

(f) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this Prospectus; and

(g) no company within our Group is listed on any stock exchange or traded on any trading system and at present, and our Group is not seeking or proposing to seek any listing of, or permission to deal in, the share or loan capital of our Company on any other stock exchange; and there is no arrangement under which future dividends are waived or agreed to be waived.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to a copy of this Prospectus and delivered to the Registrar of Companies in Hong Kong for registration were:

(a) a copy of each of the material contracts referred to in the sub-section headed "Appendix IV — Statutory and General Information — B. Further Information about Our Business — 1. Summary of Material Contracts"; and

(b) the written consents referred to in the sub-section headed "Appendix IV — Statutory and General Information — E. Other Information — 7. Consents of Experts".

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange at **www.hkexnews.hk** and our Company at **www.newgonowrv.hk** up to and including the date which is 14 days from the date of this Prospectus:

(a) the Articles of Association of the Company;

(b) the Accountants' Report from KPMG, the text of which is set out in "Appendix I — Accountants' Report" to this Prospectus;

(c) the report on the unaudited pro forma financial information of our Group from KPMG, the text of which is set out in "Appendix II — Unaudited Pro Forma Financial Information" to this Prospectus;

(d) the audited consolidated financial statements of our Group for the three years ended December 31, 2023 and for the six months ended June 30, 2024;

(e) the PRC legal opinion issued by Hylands Law Firm, our PRC Legal Advisor, in respect of certain aspects of our Group;

(f) the Australian legal opinion issued by Hogan Lovells, our Australian Legal Advisor, in respect of certain aspects of our Group;

(g) the Cayman legal opinion issued by Harney Westwood & Riegels, our Cayman Islands Legal Advisor, in respect of certain aspects of our Group;

(h) the Cayman Companies Act;

(i) the material contracts referred to in the sub-section headed "Appendix IV — Statutory and General Information — B. Further Information about Our Business — 1. Summary of Material Contracts";

(j) the written consents referred to in the sub-section headed "Appendix IV — Statutory and General Information — E. Other Information — 7. Consents of Experts";

(k) the service contracts and the letters of appointment referred to in the sub-section headed "Appendix IV — Statutory and General Information — C. Further Information about Our Directors and Substantial Shareholders — 1. Particulars of Directors' Service Contracts and Letters of Appointment";

(l) the industry report issued by Frost & Sullivan, the summary of which is set forth in the section headed "Industry Overview" in this Prospectus;

(m) the transfer pricing report issued by Shanghai Jianjie Management Consulting Co., Ltd, our tax advisors with respect to transfer pricing arrangement of our Group; and

(n) the terms of the Pre-IPO Share Option Scheme.

NEW GONOW
新吉奥
New Gonow Recreational Vehicles Inc.
新 吉 奥 房 车 有 限 公 司