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)

CHANGE IN USE OF PROCEEDS TEMPORARY DEVIATION FROM THE USE OF PROCEEDS AND NOTIFIABLE TRANSACTIONS

Reference is made to the prospectus in relation to the global offering of New Gonow Recreational Vehicles Inc. (the "**Company**", together with its subsidiaries, the "**Group**") dated December 31, 2024 (the "**Prospectus**") and the annual report for the year ended December 31, 2024 of the Company published on April 28, 2025 (the "**2024 Annual Report**"). Unless otherwise defined herein, terms used in this announcement shall have the same meanings as those defined in the Prospectus and the 2024 Annual Report.

CHANGE IN USE OF PROCEEDS FROM GLOBAL OFFERING

Original Use of Proceeds from Global Offering

As disclosed in the Prospectus and the 2024 Annual Report, the net proceeds from the Global Offering (the "**Net Proceeds**") was approximately HK$253.4 million, which was originally intended for the purposes as set out in the Prospectus (the "**Original Use of Proceeds**"):

- approximately 63.3%, or HK$160.4 million, was allocated to construct a new production base and upgrade the Group's existing production facilities, among which,

  (i) approximately 60.0%, or HK$152.0 million, was allocated to construct the Group's new production base in Zhejiang, China, and

(ii) approximately 3.3%, or HK$8.4 million, was allocated to continually upgrade the Group's existing production facilities by rolling out ongoing equipment automation, and upgrades, ensuring that the Group's facilities remain at the forefront of technological advancement.

- approximately 16.7%, or HK$42.4 million, was allocated to scale up the Group's business operations through strengthening the Group's sales and distribution network, in order to further expand the Group's customer base and enhance the Group's customer stickiness, and further amplify the Group's market share in the RV industry in Australasia, including:

  (i) approximately 3.3%, or HK$8.4 million, was allocated to establish new self-owned and/or JV stores, thereby expanding the Group's business footprint and obtaining wider market coverage, and

  (ii) approximately 13.4%, or HK$34.0 million, was allocated to pursue the acquisition of third-party offline stores (which may not necessarily be those within the Group's existing dealership network) if suitable opportunities emerge.

- Approximately 10.0%, or HK$25.3 million, was allocated for the Group's continued product research and development efforts.

- Approximately 10.0%, or HK$25.3 million, was allocated for the Groups working capital and general corporate purposes.

Change in Use of Proceeds

As at the date of this announcement, the Company has utilized approximately HK$16.9 million of the Net Proceeds according to the Original Use of Proceeds, and the unutilized Net Proceeds amounted to approximately HK$236.5 million (the "**Unutilized Net Proceeds**"). The utilized Net Proceeds represented all the proceeds allocated to (1) strengthening of sales and distribution work, (2) product research and development, and (3) working capital and general corporate purposes for the first year after the Listing (i.e. January 13, 2025).

After careful consideration and detailed evaluation of the Group's operations and business strategies, the Board has resolved to change the use of the Unutilized Net Proceeds as follows (the "**Revised Use of Proceeds**"):

	Original Use of Proceeds (HK$ in million)				**Revised Use of Proceeds (HK$ in million)**			
	First year after the Listing	**Second year after the Listing**	**Third year after the Listing**	**Total**	**First year after the Listing**	**Second year after the Listing**	**Third year after the Listing**	**Total**
Construction of a new production base and upgrade of existing production facilities	**59.1**	**101.3**	**—**	**160.4**	**—**	**48.4**	**17.0**	**65.4**
— Construction of a new production base in Zhejiang, China	59.1	92.9	—	152.0	—	40.0	17.0	57.0
— Upgrade of existing production facilities	—	8.4	—	8.4	—	8.4	—	8.4
Strengthening of sales and distribution network	**2.9**	**19.8**	**19.7**	**42.4**	**2.9**	**54.8**	**44.8**	**102.5**
— Establishment of new self-owned and/or JV stores	2.9	2.8	2.8	8.4	2.9	2.8	2.8	8.5
— Potential acquisition of third-party offline stores	—	17.0	17.0	34.0	—	52.0	42.0	94.0
Product research and development	**5.5**	**8.7**	**11.2**	**25.3**	**5.5**	**26.6**	**28.1**	**60.2**
Working capital and general corporate purposes	**8.5**	**8.5**	**8.5**	**25.3**	**8.5**	**8.5**	**8.5**	**25.3**
Total	**76.0**	**138.3**	**39.4**	**253.4**	**16.9**	**138.3**	**98.4**	**253.4**

The Board further resolved that to the extent that the Unutilized Net Proceeds are not immediately used for the purposes described above and to the extent permitted by the relevant laws and regulations, the Company may hold such idle Unutilized Net Proceeds in short-term interest-bearing deposits or other short-term principal protective wealth management products so long as it is deemed to be in the best interests of the Company and shall not affect the normal operation of the Company.

Reasons for and Benefits of the Change in Use of Proceeds

The Company has taken into account the Group's recent business development when evaluating the allocation of the Unutilized Net Proceeds. As disclosed in the Prospectus, the Company planned to use approximately 60.0%, or HK$152.0 million, for construction of new production base in Zhejiang, China, including approximately 8.3% or HK$21.1 million for the purchase of land use rights for the Group's new production base in Zhejiang with a total site area of more than 100,000 sq.m.. The Company has been actively communicating the relevant government authorities regarding the purchase the land use right since its Listing. Recently, the Company was notified by the local government that they could not approve the land transfer due to land allocation. As such, the Company was not able to complete the purchase of land use right as planned. To ensure that the Company's development is not affected and its future plans are carried out in an orderly manner, the Company is now actively looking for suitable alternative land, while the total site area of the proper land may be limited. The funds needed are therefore estimated to be much lower than expected and the construction will only happen in 2026 at earliest.

Meanwhile, to ensure rapid penetration into key markets, the Company has officially established a dedicated working group to facilitate the Group's expansion into the European and Canadian markets. The Group has implemented imminent primary initiatives, including acquisition execution, product finalization, EU certification, customer development, and launching a collaboration project with local partners to advance the Group's business expansion. It is imperative for the Group to invest more funds in the execution of the Group's sales and marketing strategies by acquiring third-party offline stores to capture the market share in Europe and Canada.

Furthermore, the research and development expenses of the Company amounted to approximately RMB11.9 million for the six months ended June 30, 2025, representing an increase of 112.5% from RMB5.6 million for the corresponding period in 2024. Given the increase in the number of research and development projects being initiated for the Group's new towable RV and electric RVs since the Listing, the Company finds it necessary to increase its budget in research and development to fund such research and development projects for the purpose to capitalize on the opportunities in the global market (excluding the PRC).

Having considered the above, the Board resolved to re-allocate approximately RMB95.0 million originally designated for the construction of a new production base, among which, (i) approximately RMB60.1 million will be allocated for the acquisition of third-party offline stores in Europe and Canada to strengthen the Group's sales and distribution network, and (ii) approximately RMB34.9 million will be allocated for product research and development.

From the perspective of capital allocation and efficiency, the Company noticed that some short-term principal protective wealth management products may have the potential to provide the Group with returns that are superior to the short-term interest-bearing deposits typically offered by commercial banks with a low level of risk. The Board therefore resolved that the Company may hold the idle Unutilized Net Proceeds in short-term interest-bearing deposits or other short-term principal protective wealth management products, whichever can help enhance its financial flexibility and risk resistance and optimize its overall capital and operational efficiency.

The Board considers that the Revised Use of Proceeds is in the best interests of the Group and its shareholders as a whole and will not have any material adverse impact on the Group's operations.

If there are any further adjustments on the use of the Unutilized Net Proceeds, the Company will make further announcements as and when appropriate.

TEMPORARY DEVIATION FROM THE ORIGINAL USE OF PROCEEDS

As disclosed in the Prospectus, to the extent that the Net Proceeds are not immediately used for the purposes described in the section headed "Future Plans and Use of Proceeds" in the Prospectus and to the extent permitted by the relevant laws and regulations, the Company will deposit such monies into short-term interest-bearing accounts with licensed commercial banks and/or other authorized institutions (as defined under the Securities and Futures Ordinance, Cap. 571 (the "**SFO**") or applicable laws and regulations in other jurisdictions).

The Company has been evaluating its use of the Net Proceeds since its Listing. In light of the fact that most of the Net Proceeds, being approximately 70.1% or HK$177.7 million, were planned to be utilized in the second and third years after the Listing, the Company has considered how to better utilize the idle Unutilized Net Proceeds for capital appreciation.

As such, Regent RV PTY LTD (the "**Subscriber**"), a wholly owned subsidiary of the Company, has subscribed for (1) a USD Bond-Linked Note (the "**Note**") relating to bonds (ISIN: US91282CLL36) issued by Oakwise Special Investment II Limited on February 11, 2025 (the "**Note Subscription**") and (2) the participating shares in Apollo Multi-Asset Growth Fund (the "**Fund**") on February 12, 2025 (the "**Fund Subscription**"), in the subscription amount of US$9 million and US$6.4 million, respectively (the "**Subscriptions**"). Considering that the Subscriptions are short-term in nature, secure, principal protective, and/or liquid, the Subscriber misunderstood the nature of the Subscriptions as being similar to short-term interest-bearing deposits and, thus, believed that funding the Subscriptions with the Net Proceeds would not affect the Original Use of Proceeds as disclosed in the Prospectus. As a result, the Subscriber utilized part of the Net Proceeds to fund the Subscriptions. The details of the Subscriptions are stated below.

During the preparation for the interim results of the Company for the six months ended June 30, 2025, the Company realized that the Subscriptions do not fall under the short-term interest-bearing deposits as disclosed in the Prospectus and cannot be treated as in the similar nature of such deposits, which indicated that there was a temporary deviation from the Original Use of Proceeds. In order to ensure the compliance with the Original Use of Proceeds and such Net Proceeds are well safeguarded, the Company has evaluated the possibility of redemption of the Note and the Fund. Taking into account the principal protective nature and returns that are superior to the short-term interest-bearing deposits typically offered by commercial banks, the Company, as agreed with the issuer of the Note, decided not to initiate early redemption but to redeem the full amount of the Note on maturity date (i.e. February 11, 2026) to avoid forfeiture of interest or other penalties due to early redemption. On the other hand, the Company sent a redemption notice to the administrator of the Fund on August 29, 2025 to redeem the full amount of the Fund as soon as possible but in any event before November 27, 2025 pursuant to the redemption clause of the Note Subscription that the Subscriber can redeem its instruments anytime by serving a 90-day notice.

Financial Effect

The Company expects that there will be a gain of approximately US$303,750 (based on coupon rate of the Reference Note being 3.375%) and US$166,296 (based on the average rate of return being 3.25%) from the redemption of the Note and the Fund, respectively. The actual amount of gain or loss, however, will be subject to review and final audit by the auditors of the Company for the annual results of the Company for the years ended December 31, 2025 and 2026. The proceeds to be received by the Company after such redemptions will be utilized according to the Revised Use of Proceeds.

Furthermore, the Company wishes to emphasize that the Company did not have the intention for the temporary deviation from the use Original Use of Proceeds as disclosed in the Prospectus. The Company hereby confirms that the temporary deviation from the Original Use of Proceeds did not have a material adverse impact on the operations of the Group.

NOTIFIABLE TRANSACTIONS — SUBSCRIPTIONS

The following are the details of the Subscriptions:

Note Subscription

Principal Terms of the Note

Date of the Agreement	:	February 5, 2025
Issuer	:	Oakwise Special Investment II Limited
Arranger	:	Oakwise Asset Management Limited
Principal Amount	:	US$9 million
Subscription Price	:	US$9 million
Interest	:	An amount in USD determined by the Issuer as being equal to the interest amount(s) that would have been received by a hypothetical holder of bonds with ISIN numbers US91282CLL36 issued by the United States Department of the Treasury (the "**Reference Bond**") and with a coupon rate of 3.375%, net of any relevant costs, expenses, fees and taxes from and including the issue date
Issue Date	:	February 11, 2025
Maturity Date	:	February 11, 2026
Restriction on Transfer	:	The Note is not transferable.
Redemption	:	**Redemption at Maturity** Unless previously redeemed or purchased and cancelled in full, the Note will be redeemed by the Issuer at the redemption amount on the maturity date. **Early Redemption by the Subscriber** The Note may be redeemed at the option of the Subscriber in whole, but not in part, at any time, on giving not less than 14 days' notice to the Issuer in accordance with the conditions under the note certificate, which notice shall be irrevocable.

Redemption Amount

The redemption amount means an amount in USD determined by the Issuer as being, subject to a minimum of zero, equal to:

A + B – C

where

"A" means the principal amount,

"B" means the interest amount received from the Reference Bond, and

"C" means any tax, cost and expenses as determined by the Issuer acting in good faith and in a commercially reasonable manner.

Information about the Issuer and the Arranger of the Note

The issuer of the Note is a special purpose vehicle as the note issuance platform of Oakwise Capital Management Limited, which is a licensed corporation to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO. The arranger of the Note is an affiliated company (under the same parent company) of Oakwise Capital Management Limited. Oakwise Capital Management Limited provides a series of products and services focusing on investing in Greater China, including fund, separated managed account, family office and other services.

To the best of the Director's knowledge, information and belief and having made all reasonable enquiry, the Issuer, the Arranger and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

Fund Subscription

Principal Terms of the Fund

The Fund	:	Apollo Multi-Asset Growth Fund
Participating Shares	:	A participating, redeemable, non-voting share of par value US$0.0001 in the capital of the Fund being offered for subscription under the terms of the private placement memorandum

Investment Manager	:	Apollo Asset Management Limited
Administrator	:	Iplatform Service HK Limited
Subscription Amount	:	US$6.4 million
Investment Objective	:	To seek to achieve absolute returns by investing in financial instruments that generate long-term capital appreciation and income.
Investment Strategy	:	To achieve the investment objective by investing in a wide range of instruments including, but not limited to, listed stocks in Hong Kong and the United States, initial public offering shares, private placement funds, bonds, fixed and/or floating rate debt securities or notes issued by different issuers and other derivative instruments. Derivative instruments may be exchange-traded or over-the-counter. The Fund may engage in short sales, margin trading, hedging and other investment strategies. The Fund may retain amounts in cash or cash equivalents (including money market funds) pending reinvestment, for use as collateral or as otherwise considered appropriate to the investment objective.
Management Fee	:	One-twelfth (1/12) of 1 per cent (1%) per month of the net asset value of the Fund (before deduction of that month's management fee and before making any deduction for any accrued performance fee) as at the last valuation day in each month.
Performance Fee	:	20 per cent (20%) of the appreciation in the net asset value (adjusted for any redemptions and distributions) during the calendar year.
Redemption	:	Participating shares of the Fund may be redeemed at the option of the Subscriber on any redemption day (the first business day of each month and such other day or days as the directors of the Fund may determine, either generally or in any particular case) by serving a 90-day notice.
Dividends	:	It is not envisaged that any income or gains derived from investments will be distributed by way of dividend. However, this does not preclude the directors of the Fund from declaring a dividend at any time in the future if they consider it appropriate to do so. If a dividend is declared, the directors of the Fund will distribute it in compliance with applicable law.

Restriction on Transfer	:	Participating shares of the Fund may not be transferred without the prior written consent of the directors of the Fund.

Information about the Fund and the Investment Manager of the Fund

The Fund, Apollo Multi-Asset Growth Fund, is an exempted company with limited liability incorporated in the Cayman Islands under the Companies Act of the Cayman Islands.

The Investment Manager is Apollo Asset Management Limited, a licensed corporation that conducts Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO.

To the best of the Director's knowledge, information, and belief, and having made all reasonable enquiries, the Investment Manager, the Administrator, and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

Information about the Subscriber and the Group

The Subscriber (i.e. Regent RV PTY LTD), a wholly owned subsidiary of the Company, is a company incorporated in Australia with limited liability. It is principally engaged in sales of recreational vehicles (RVs).

The Group is a RV enterprise with an extensive presence in Australasia that designs, develops, manufactures and sells bespoke towable RVs. The Group designs and manufactures RVs with emphasis on comfortability, safety and functionality, creating mobile homes that can address RV owners' needs for both extra physical and mental space.

Basis of Determination for the Consideration

The Directors confirmed that the consideration of each of the Subscriptions was determined on the basis of commercial terms negotiated at arm's length between the Group and the Issuer of the Note and the Investment Manager of the Fund, respectively, having considered (i) the then available idle cash of the Group for treasury management purpose; and (ii) the expected investment return and terms of the relevant products.

Reasons for and Benefits of the Subscriptions

The Group has been constantly looking for opportunities to enhance shareholders' value and capital appreciation. The amounts and terms of the Subscriptions were determined by the Company after comprehensive assessment and consideration of the following factors: (i) the Group's then financial position, (ii) the expected investment returns and investment periods, (iii) the risk levels of the Subscriptions and (iv) the fact that the Subscriptions would not have a material adverse impact on the operations of the Group.

The Company believes that the Subscriptions have the potential to provide the Group with returns that are superior to the short-term interest-bearing deposit typically offered by commercial banks with a low level of risk. Based on the above, the Directors are of the view that the terms of the Subscriptions are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Implications under the Listing Rules

As the highest applicable percentage ratios (as defined in the Listing Rules) in relation to the Note Subscription and the Fund Subscription are both more than 5% but less than 25%, each of the Note Subscription and the Fund Subscription constitutes a discloseable transaction and is therefore subject to reporting and announcement requirements but exempt from the shareholders' approval requirements under Chapter 14 of the Listing Rules.

However, due to inadvertent oversight, the Subscriptions were not known to the Board at the time of Subscriptions. To the best of the Company's knowledge, the subscriber, being a wholly owned subsidiary of the Company, entered into the Subscriptions without reporting to the Board. The entry into the Subscriptions came to the attention of the Board in the course of preparing and approving the Company's interim financial results for the six months ended June 30, 2025.

The failure for the Subscriber to make timely reporting was due to misunderstandings that (1) the Group had already obtained the approval and authorization on the usage of Unutilized Net Proceeds according to the manner as stipulated in the Prospectus (i.e. the Subscriptions were covered under the Original Use of Proceeds) before the Listing, and no further approval or authorization was required for the Subscriptions; and (2) the Subscriptions were similar to short-term interest-bearing deposits in terms of natures of principal protective, low risk and liquidity, which were normal capital operation in the ordinary course of the Company's business and does not fall into the disclosure requirements under Chapter 14 of the Listing Rules.

Due to the matters as described above, the Subscriptions were not disclosed by the Company, which caused the Company in breach of the Listing Rules requirements for reporting and announcement requirements as set out in Chapter 14 of the Listing Rules. Nevertheless, details of the Subscriptions have been timely updated and disclosed in this announcement. The Directors reiterate that they have no intention for such non-compliance, and the non-compliance was solely due to the reasons as stated above. The Board would also like to stress that legal and regulatory compliance has been an important culture of the Group and that it has always treated compliance with the Listing Rules as a top priority.

REMEDIAL MEASURES

To avoid the recurrence of such incidents, the Company has taken the following remedial measures as at the date of this announcement:

1. the Company has published this announcement to inform its shareholders regarding the temporary deviation from the Original Use of Proceeds and details of the Subscriptions;

2. the Company has immediately assessed and evaluated the possibility to redeem the Subscription to mitigate the impacts of the non-compliance. The Company has agreed with the issuer of the Note on the redemption on the maturity date and submitted the redemption notice to the administrator of the Fund to request redemption of the subscription amount in full as soon as possible but no later than November 17, 2025;

3. the Company has obtained the approval and authorization on the Revised Use of Proceeds from the Board;

4. the Company has provided and will continue to provide refreshment training to its Directors, senior management and responsible staff members, which covered (i) duties of the Directors and the Board under the Listing Rules and the applicable laws of Hong Kong, (ii) requirements in relation to notifiable transactions under Chapter 14 of the Listing Rules, (iii) requirements in relation to connected transactions under Chapter 14A of the Listing Rules, and (iv) recent regulatory actions against listed companies and directors;

5. the Company has resolved to engage an external independent internal control consultant to conduct an internal control review to enhance the Group's internal controls concerning notifiable transactions and prevent the recurrence of similar incidents. The scope of the internal control review, as agreed with the independent internal control consultant, covered, among others, (i) reviewing and enhancing the transaction approval process to ensure compliance with the requirements of the Listing Rules, particularly requirements under Chapters 14 and 14A of the Listing Rules and (ii) establishing robust mechanisms for monitoring transactions and ensuring timely reporting to the Board;

6. the Company has enhanced communication with its Hong Kong legal advisor, and instructed the responsible staff members to consult and discuss with its legal advisor whenever they have doubts as to the implications of the Listing Rules on any transactions; and

7. the Company's compliance advisor, appointed by the Company pursuant to Rule 3A.19 of the Listing Rules on the date of the Listing, will proactively communicate with the Company more frequently by confirming with the Company if any transactions or other matters may be subject to implication of the Listing Rules on a

bi-weekly basis and providing the latest regulatory updates timely, and the compliance advisor will also work closely with the Company's Hong Kong legal advisor on listing rules compliance matters to facilitate the Company to better comply with the relevant requirements.

The Company confirms that the above incidents did not cause any impact on the business operation and financial position of the Group or the planned usage of the Net Proceeds. Going forward, the Company will continue to enhance its internal control policy and make appropriate disclosure in a timely manner to ensure compliance with the Listing Rules.

By order of the Board
New Gonow Recreational Vehicles Inc.
Mr. MIAO Xuezhong
Executive Director, Chairman of the Board and
Chief Executive Officer

Hong Kong, August 29, 2025

As at the date of this announcement, the Board comprises Mr. MIAO Xuezhong, Mr. LIU Tao, Ms. LIU Qin and Mr. Andrew Robert CRANK as executive Directors and Ms. HE Jie, Mr. YU Mingyang and Ms. NG Weng Sin as independent non-executive Directors.