



## **GUDOU HOLDINGS LIMITED**

### **古兜控股有限公司**

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

**(stock code: 8308)**

## **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2021**

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## INTERIM RESULTS

The Board is pleased to announce the unaudited consolidated financial statements of the Group for the six months ended 30 June 2021 together with the comparative unaudited figures for the corresponding period in 2020, as follows:

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the six months ended 30 June 2021*

		Three months ended 30 June		Six months ended 30 June	
		2021	2020	2021	2020
	Note	RMB'000	RMB'000	RMB'000	RMB'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	3	13,440	14,227	33,495	24,257
Cost of sales		(17,086)	(13,768)	(34,828)	(30,106)
<b>Gross (loss)/profit</b>		<b>(3,646)</b>	<b>459</b>	<b>(1,333)</b>	<b>(5,849)</b>
Other income	4	62	35	107	69
Fair value gains on investment properties		1,950	2,540	3,930	3,440
Provision of impairment of trade receivables		(474)	(1,758)	(474)	(1,758)
Share of loss of an associate		(264)	(436)	(656)	(650)
Selling expenses		(1,639)	(1,292)	(3,113)	(4,063)
Administrative expenses		(8,794)	(7,301)	(16,508)	(15,644)
<b>Loss from operations</b>		<b>(12,805)</b>	<b>(7,753)</b>	<b>(18,047)</b>	<b>(24,455)</b>
Finance costs		(4,361)	(4,709)	(8,695)	(9,596)
<b>Loss before tax</b>		<b>(17,166)</b>	<b>(12,462)</b>	<b>(26,742)</b>	<b>(34,051)</b>
Income tax expenses	6	(96)	(409)	(176)	(635)
<b>Loss for the period and loss attributable to owners of the Company</b>		<b>(17,262)</b>	<b>(12,871)</b>	<b>(26,918)</b>	<b>(34,686)</b>
<b>Other comprehensive loss for the period, net of tax</b>					
<i>Items that may be reclassified to profit or loss:</i>					
Currency translation differences		312	11	160	(185)
<i>Item that will not be reclassified to profit or loss:</i>					
Fair value loss on financial assets at fair value through other comprehensive income		(400)	(623)	(400)	(502)
<b>Total comprehensive loss for the period</b>		<b>(17,350)</b>	<b>(13,483)</b>	<b>(27,158)</b>	<b>(35,373)</b>
<b>Loss per share</b>					
		Three months ended 30 June	2020	Six months ended 30 June	2020
		2021	2020	2021	2020
		RMB cents	RMB cents	RMB cents	RMB cents
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Basic and diluted loss per share	8	(1.8)	(1.3)	(2.7)	(3.5)

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

		As at 30 June 2021 <i>RMB'000</i> (Unaudited)	As at 31 December 2020 <i>RMB'000</i> (Audited)
	<i>Note</i>		
<b>Non-current assets</b>			
Property, plant and equipment	9	257,958	267,205
Right-of-use assets		42,242	16,537
Investment properties		609,360	605,430
Financial assets at fair value through other comprehensive income		411	811
Investment in an associate		61,811	62,467
Deferred tax assets		6,763	6,643
		<u>978,545</u>	<u>959,093</u>
<b>Current assets</b>			
Properties held for sale		104,315	105,605
Inventories		2,960	3,032
Accounts receivable	10	7,566	9,328
Prepayments, deposits and other receivables		13,642	18,357
Amount due from a joint operator		21,430	17,258
Restricted bank balances		23,343	31,045
Bank and cash balances		6,653	25,518
		<u>179,909</u>	<u>210,143</u>
<b>TOTAL ASSETS</b>		<u><u>1,158,454</u></u>	<u><u>1,169,236</u></u>
<b>Current liabilities</b>			
Accounts payable	11	47,564	54,007
Accruals and other payables		24,134	20,031
Amount due to an associate		11,000	12,000
Borrowings	12	101,716	115,123
Lease liabilities		4,672	3,628
Current tax liabilities		65,956	66,187
Contract liabilities		59,754	43,409
		<u>314,796</u>	<u>314,385</u>

		As at 30 June 2021 <i>RMB'000</i> (Unaudited)	As at 31 December 2020 <i>RMB'000</i> (Audited)
	<i>Note</i>		
<b>Non-current liabilities</b>			
Borrowings	12	163,163	172,544
Lease liabilities		32,617	7,087
Amount due to an associate		30,020	30,020
Deferred tax liabilities		178,195	178,169
Deferred income		14,250	14,650
		<u>418,245</u>	<u>402,470</u>
<b>TOTAL LIABILITIES</b>		<u><b>733,041</b></u>	<u><b>716,855</b></u>
<b>Capital and reserves</b>			
Share capital		8,669	8,669
Reserves		416,744	443,712
		<u>425,413</u>	<u>452,381</u>
<b>TOTAL EQUITY</b>		<u><b>425,413</b></u>	<u><b>452,381</b></u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u><b>1,158,454</b></u>	<u><b>1,169,236</b></u>

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021

	Share capital RMB'000	Share premium RMB'000	Fair value reserve RMB'000	Foreign currency translation reserve RMB'000	Share- based payment reserve RMB'000	Capital reserve RMB'000	Other reserve RMB'000	Retained profits RMB'000	Total equity RMB'000
As at 1 January 2021 (Audited)	8,669	99,249	(2,630)	(3,997)	11,309	(277)	69,528	270,530	452,381
<b>Comprehensive loss</b>									
Loss for the period	—	—	—	—	—	—	—	(26,918)	(26,918)
<b>Other comprehensive loss</b>									
Currency translation differences	—	—	—	160	—	—	—	—	160
Fair value loss on financial assets at fair value through other comprehensive income	—	—	(400)	—	—	—	—	—	(400)
<b>Total comprehensive loss for the period</b>	—	—	(400)	160	—	—	—	(26,918)	(27,158)
<b>Transaction with owners</b>									
Share-based payment	—	—	—	—	190	—	—	—	190
<b>Total transactions with owners</b>	—	—	—	—	190	—	—	—	190
<b>As at 30 June 2021 (Unaudited)</b>	<b>8,669</b>	<b>99,249</b>	<b>(3,030)</b>	<b>(3,837)</b>	<b>11,499</b>	<b>(277)</b>	<b>69,528</b>	<b>243,612</b>	<b>425,413</b>

	Share capital <i>RMB'000</i>	Share premium <i>RMB'000</i>	Fair value reserve <i>RMB'000</i>	Foreign currency translation reserve <i>RMB'000</i>	Share- based payment reserve <i>RMB'000</i>	Capital reserve <i>RMB'000</i>	Other reserve <i>RMB'000</i>	Retained profits <i>RMB'000</i>	Total equity <i>RMB'000</i>
<b>As at 1 January 2020 (Audited)</b>	8,669	99,249	(2,728)	(4,950)	10,287	(277)	69,528	268,269	448,047
<b>Comprehensive loss</b>									
Loss for the period	—	—	—	—	—	—	—	(34,686)	(34,686)
<b>Other comprehensive loss</b>									
Currency translation differences	—	—	—	(185)	—	—	—	—	(185)
Fair value loss on financial assets at fair value through other comprehensive income	—	—	(502)	—	—	—	—	—	(502)
Disposal of financial assets at fair value through other comprehensive income	—	—	1,000	—	—	—	—	(1,000)	—
<b>Total comprehensive loss for the period</b>	—	—	498	(185)	—	—	—	(35,686)	(35,373)
Share-based payment	—	—	—	—	666	—	—	—	666
<b>Total transactions with owners</b>	—	—	—	—	666	—	—	—	666
<b>As at 30 June 2020 (Unaudited)</b>	<u>8,669</u>	<u>99,249</u>	<u>(2,230)</u>	<u>(5,135)</u>	<u>10,953</u>	<u>(277)</u>	<u>69,528</u>	<u>232,583</u>	<u>413,340</u>

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021

	Six Months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Net cash generated from/(used in) operating activities	24,564	(8,567)
Net cash used in investing activities	(5,891)	(5,307)
Net cash used in financing activities	<u>(37,673)</u>	<u>(31,824)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(19,000)</b>	<b>(45,698)</b>
Effect of foreign exchange rate changes	135	(209)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b><u>25,518</u></b>	<b><u>60,687</u></b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b><u><u>6,653</u></u></b>	<b><u><u>14,780</u></u></b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Bank and cash balances	<b><u><u>6,653</u></u></b>	<b><u><u>14,780</u></u></b>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 June 2021*

## 1 General information

The Company was incorporated on 10 January 2014 in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Windward 3, Regatta Office Park, P.O. Box 1350 Grand Cayman KY1-1108 Cayman Islands. The address of its principal place of business is Gudou Hot Spring Resort Complex, Yamen Town, Xinhui, Jiangmen, Guangdong Province, the PRC (中國廣東省江門市新會區崖門鎮古兜溫泉綜合度假村). The Company's shares are listed on GEM on 9 December 2016.

The Company is an investment holding company. The principal activities of its subsidiaries are the operation and management of Gudou Hot Spring Resort and provision of consultancy and/or management services to third party resort and hotel operators and the development and sales of tourism properties in Guangdong Province.

These financial statements are presented in RMB, unless otherwise stated.

## 2 Basis of preparation

The unaudited condensed consolidated financial statements of the Group for the Relevant Period have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosure requirements of the GEM Listing Rules and the Hong Kong Companies Ordinance.

The unaudited condensed consolidated financial statements of the Group for the Period have been prepared under the historical cost convention, as modified by the revaluation of investment properties.

The preparation of the unaudited condensed consolidated financial statements is in conformity with the HKFRSs requirements in the use of certain critical accounting estimates. The HKFRSs also require the management to exercise their judgements in the process of applying the Group's accounting policies.

The unaudited condensed consolidated financial statements for the Relevant Period have not been audited by the Company's independent auditor, but have been reviewed by the Company's audit committee.

The HKICPA has issued a number of new and revised HKFRSs and interpretations that are first effective or available for early adoption for the Period. There have been no significant changes to the accounting policies applied in these financial statements for the current and prior accounting periods presented as a result of these developments.



### 3 Revenue

The Group's revenue derived from its major products and services during the period is as follows:

	Three months ended 30 June		Six months ended 30 June	
	2021 <i>RMB'000</i> (Unaudited)	2020 <i>RMB'000</i> (Unaudited)	2021 <i>RMB'000</i> (Unaudited)	2020 <i>RMB'000</i> (Unaudited)
Property sales	1,597	—	3,646	—
Property renovation income	166	958	166	1,404
Room revenue	4,660	6,334	13,407	10,186
Admission income	2,714	2,841	6,086	3,897
Catering income	2,110	3,128	5,530	5,956
Rental income	1,056	500	1,697	1,096
Massage service income	185	32	459	182
Conference fee income	177	107	370	568
Consultancy service income	—	235	—	235
Other service income	775	92	2,134	733
	<u>13,440</u>	<u>14,227</u>	<u>33,495</u>	<u>24,257</u>
Timing of revenue recognition				
At a point in time	6,783	6,108	16,091	10,603
Over time	6,657	8,119	17,404	13,654
	<u>13,440</u>	<u>14,227</u>	<u>33,495</u>	<u>24,257</u>

### 4 Other income

	Three months ended 30 June		Six months ended 30 June	
	2021 <i>RMB'000</i> (Unaudited)	2020 <i>RMB'000</i> (Unaudited)	2021 <i>RMB'000</i> (Unaudited)	2020 <i>RMB'000</i> (Unaudited)
Interest income	8	11	27	39
Gain on disposal of property, plant and equipment, net	54	—	54	—
Others	—	24	26	30
	<u>62</u>	<u>35</u>	<u>107</u>	<u>69</u>

## 5 Segment information

The chief operating decision-maker has been identified as the executive directors of the Company, which reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The executive directors of the Company consider the business from service perspectives and assess the performance of the Group which are organised into two main businesses:

- Property development — Development and sales of properties and provision of properties renovation services in the PRC
- Hotel and resort operation — Operation of hotels and resort in the PRC and provision of consultancy services and/or management services to leisure hotels and resorts and other hot spring resort operators in the PRC

The executive directors of the Company assesses the performance of the operating segments based on their segment profit before income tax expense. Segment profits or losses do not include fair value gains on investment properties for undetermined use, finance costs, corporate income and expenses.

Based on the business nature, the executive directors of the Company consider the development of the five-star hotel and health regimen facilities either through self-use or lease, include under the hotel and resort operation segment.

*(i) Information about reportable segment profit or loss, assets and liabilities:*

	Hotels and resort operation RMB'000 (Unaudited)	Property development RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
<b>For the six months ended 30 June 2021</b>			
Segment revenue	<u>29,683</u>	<u>3,812</u>	<u>33,495</u>
Segment loss	(8,510)	(1,353)	(9,863)
Fair value gains on investment properties			1,680
Finance costs			(8,695)
Unallocated corporate expenses			<u>(9,864)</u>
Loss before tax			(26,742)
Income tax expenses			<u>(176)</u>
Loss for the period			<u><u>(26,918)</u></u>

	Hotels and resort operation <i>RMB'000</i> (Unaudited)	Property development <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
<b>As at 30 June 2021</b>			
<b>ASSETS</b>			
Segment assets	<u>467,240</u>	<u>229,216</u>	696,456
Unallocated assets			<u>461,998</u>
Consolidated total assets			<u>1,158,454</u>
<b>LIABILITIES</b>			
Segment liabilities	<u>95,047</u>	<u>123,984</u>	219,031
Unallocated liabilities			<u>514,010</u>
Consolidated total liabilities			<u>733,041</u>
	Hotels and resort operation <i>RMB'000</i> (Unaudited)	Property development <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
<b>For the six months ended 30 June 2020</b>			
Segment revenue	<u>22,853</u>	<u>1,404</u>	<u>24,257</u>
Segment loss	(12,966)	(3,085)	(16,051)
Fair value gains on investment properties			2,100
Finance costs			(9,596)
Unallocated corporate expenses			<u>(10,504)</u>
Loss before tax			(34,051)
Income tax expenses			<u>(635)</u>
Loss for the period			<u>(34,686)</u>

	Hotels and resort operation <i>RMB '000</i> (Audited)	Property development <i>RMB '000</i> (Audited)	Total <i>RMB '000</i> (Audited)
<b>As at 31 December 2020</b>			
<b>ASSETS</b>			
Segment assets	<u>440,553</u>	<u>246,906</u>	687,459
Unallocated assets			<u>481,777</u>
Consolidated total assets			<u>1,169,236</u>
<b>LIABILITIES</b>			
Segment liabilities	<u>62,619</u>	<u>122,213</u>	184,832
Unallocated liabilities			<u>532,023</u>
Consolidated total liabilities			<u>716,855</u>

**(ii) Geographical information:**

All the revenue and non-current assets are based in the PRC for the six month ended 30 June 2021 (the six month ended 30 June 2020: Same).

**(iii) Revenue from major customers:**

The revenue from the Group's largest customer amounted to RMB2.8 million or 8.4% (six months ended 30 June 2020: RMB1.2 million or 4.9%) of the Group's total turnover for the six month ended 30 June 2021.

## 6 Income tax expenses

For the six months ended 30 June 2021, no provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong (six months ended 30 June 2020: Nil). The Group's subsidiaries in the PRC are subject to the PRC enterprise income tax at a rate of 25% on estimated assessable profits.

	Three months ended 30 June		Six months ended 30 June	
	2021	2020	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Current tax</b>				
PRC enterprise income tax	—	—	1	1
Land appreciation tax	152	—	269	—
	<u>152</u>	<u>—</u>	<u>270</u>	<u>1</u>
Deferred tax	(56)	409	(94)	634
	<u>(56)</u>	<u>409</u>	<u>(94)</u>	<u>634</u>
	<u>96</u>	<u>409</u>	<u>176</u>	<u>635</u>

## 7 Dividend

No dividend was paid or declared by the Company during the six months ended 30 June 2021, nor has any dividend been proposed since the end of the reporting period (six months ended 30 June 2020: Nil).

## 8 Loss per share

### Basic

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Three months ended 30 June		Six months ended 30 June	
	2021	2020	2021	2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Loss attributable to owners of the Company ( <i>RMB'000</i> )	(17,262)	(12,871)	(26,918)	(34,686)
Weighted average number of ordinary shares in issue ( <i>'000</i> ) ( <i>Note</i> )	<u>980,000</u>	<u>980,000</u>	<u>980,000</u>	<u>980,000</u>
Basic losses per share ( <i>RMB cents</i> )	<u>(1.8)</u>	<u>(1.3)</u>	<u>(2.7)</u>	<u>(3.5)</u>

*Note:*

For the six months ended 30 June 2021 and 2020, the diluted loss per share were equal to the basic loss per share because the Company was in loss position.

## 9 Property, plant and equipment

RMB'000

### Cost

As at 31 December 2020 (audited)	507,678
Additions	5,003
Disposal	(673)
Exchange differences	(18)
	<u>511,990</u>
As at 30 June 2021 (unaudited)	<u>511,990</u>

### Accumulated depreciation

As at 31 December 2020 (audited)	240,473
Additions	14,275
Written back on disposal	(673)
Exchange differences	(43)
	<u>254,032</u>
As at 30 June 2021 (unaudited)	<u>254,032</u>

### Carrying amount

As at 30 June 2021 (unaudited)	<u>257,958</u>
As at 31 December 2020 (audited)	<u>267,205</u>

## 10 Accounts receivable

	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Accounts receivable	13,776	15,064
Less: allowance for impairment	<u>(6,210)</u>	<u>(5,736)</u>
Accounts receivable, net	<u>7,566</u>	<u>9,328</u>

The aging analysis of accounts receivable, based on the invoice date, or scheduled repayment dates for property unit purchasers is as follows:

	As at <b>30 June</b> <b>2021</b> <i><b>RMB'000</b></i> <b>(Unaudited)</b>	As at 31 December 2020 <i>RMB'000</i> (Audited)
Up to 30 days	632	5,107
31 to 60 days	706	621
61 to 90 days	1,023	785
Over 90 days	<u>11,415</u>	<u>8,551</u>
	<u><b>13,776</b></u>	<u><b>15,064</b></u>

## 11 Accounts payable

The aging analysis of the Group's accounts payable, based on the date of receipt of goods or services rendered, is as follows:

	As at <b>30 June</b> <b>2021</b> <i><b>RMB'000</b></i> <b>(Unaudited)</b>	As at 31 December 2020 <i>RMB'000</i> (Audited)
Up to 90 days	3,884	6,631
91 to 180 days	4,779	6,302
181 to 365 days	7,027	10,129
Over 1 year	<u>31,874</u>	<u>30,945</u>
	<u><b>47,564</b></u>	<u><b>54,007</b></u>

The carrying amount of the Group's accounts payable are denominated in RMB and approximate their fair value.

## 12 Borrowings

	As at 30 June 2021 <i>RMB'000</i> (Unaudited)	As at 31 December 2020 <i>RMB'000</i> (Audited)
Bank loans	<u>264,879</u>	<u>287,667</u>
	<u><b>264,879</b></u>	<u><b>287,667</b></u>

The borrowings are repayable as follows:

	As at 30 June 2021 <i>RMB'000</i> (Unaudited)	As at 31 December 2020 <i>RMB'000</i> (Audited)
Within one year	101,716	115,123
Between one and two years	78,910	54,811
Between two and five years	<u>84,253</u>	<u>117,733</u>
	264,879	287,667
<i>Less:</i> Amount due for settlement within 12 months (shown under current liabilities)	<u>(101,716)</u>	<u>(115,123)</u>
Amount due for settlement after 12 months	<u><b>163,163</b></u>	<u><b>172,544</b></u>

## 13 Capital commitments

The Group had the following capital commitments contracted but not provided for:

	As at 30 June 2021 <i>RMB'000</i> (Unaudited)	As at 31 December 2020 <i>RMB'000</i> (Audited)
Construction in progress	<u><b>2,255</b></u>	<u><b>6,721</b></u>



## 14 Lease commitments

### *Operating lease commitments — lessor*

The Group's total future minimum lease receivables under non-cancelable operating leases are as follows:

	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Within one year	1,998	1,605
One to two years	1,667	1,389
Two to three years	1,264	1,389
Three to four years	1,267	1,392
Four to five years	1,271	1,395
More than five years	9,349	11,181
	<u>16,816</u>	<u>18,351</u>

Operating lease receivables represent stall rental receivable. Leases are negotiated for an average term of 2 to 15 years and rental are fixed over the lease terms and do not include contingent rentals.

## 15 Financial guarantees and contingent liabilities

### *Guarantees on mortgage facilities*

The Group had the following contingent liabilities in respect of financial guarantees on mortgage facilities at the end of each of the following reporting periods:

	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Guarantees in respect of mortgage facilities for certain purchasers of the Group's properties	<u>5,099</u>	<u>7,876</u>

The Group has arranged bank financing for certain purchasers of the Group's properties and provided guarantees to secure obligations of such purchaser for repayments. Such guarantees will terminate upon the earlier of (i) the transfer of the real estate ownership certificate to the purchaser which will generally occur within an average period of six months to one year from the completion of the guarantee registration; or (ii) the satisfaction of mortgage loans by the purchasers of the properties.

## 16 Material related parties transactions

Related parties are those parties that have the ability to control the other party or exercise significant influence in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

As at 30 June 2021, the major shareholders of the Company are Harvest Talent and China Aoyuan, which owned 34.34% and 29.18% of the Company's issued shares respectively.

The ultimate holding company of the Group is Harvest Talent, incorporated in the British Virgin Islands, which is fully controlled by Mr. Hon.

The following is a summary of the significant transactions carried out between the Group and its related parties in the ordinary course of business during the year ended 30 June 2021.

### (a) *Balances with related parties*

The following transactions were carried out with related parties at terms mutually agreed by both parties:

	As at 30 June 2021 <i>RMB'000</i> (Unaudited)	As at 31 December 2020 <i>RMB'000</i> (Audited)
Amounts due from a joint operator	21,430	17,258
Amount due to an associate	<u>41,020</u>	<u>42,020</u>

**(b) Transactions with related parties**

The following transactions were carried out with related parties at terms mutually agreed by both parties:

	<b>Six months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Salary of Mrs. Hon (Spouse of an executive director)	<u><b>66</b></u>	<u><b>66</b></u>

**(c) Compensation of key management personnel of the Group:**

	<b>Six months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Salaries, bonus and allowances	<b>2,014</b>	1,772
Pension costs		
— defined contribution plans	<b>95</b>	79
Share-based payment	<u><b>113</b></u>	<u>361</u>
	<u><b>2,222</b></u>	<u><b>2,212</b></u>

## COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

The table below sets out the Directors' analysis by comparing the business objectives of the Group as set out in the Prospectus with the Group's achievement of these objectives up to 30 June 2021. These business objectives are in place with a view to generating long-term value to the Company and the Shareholders.

Business Objectives	Actual Business Progress up to 30 June 2021
1. Continue to enhance the Group's position in the hot spring and hotel industry	The Group's effort in respect of enhancing its position in the hot spring and hotel industry is still ongoing.
(i) Replicate the Group's business model to operate new hot spring resorts and hotels	(i) The Group will continue to select its potential target cities based on a number of factors, including, among others, local favourable governmental policy, local tourism development, infrastructure, locations or available land sites, regional economy, regional level of disposal income, cost of transportation and cost of energy supply.
(ii) Provide management services to other hot spring resort owners	<p>As at the date of this announcement, the Group extended to operate three hotels in Guangzhou and Jiangmen, respectively.</p> <p>(ii) The Group will continue to explore new business opportunities to provide management services to hot spring resorts owned by third party owners. The investment and development team will continue to identify and evaluate potential business opportunities.</p>

2. Plan to expand the tourism property development business of the Group

To prepare for the expansion of the tourism property development business, the Group has adopted standardised development procedures so as to achieve a more efficient use of capital and other resources, and to complete new tourism property projects in a timely manner while maintaining an effective control over costs.

The Directors expect the major pre-sale of the jointly developing property projects, Gudou Yishui Mingting Apartments and Guanshanyue Apartments to be continued in the second half year of 2021 and properties to be delivered to its customers from 2021 onwards. The construction of Yunshanjing Mansion continued in the third quarter of 2021.

3. Continue to enhance the Group's "Gudou" brand across the PRC by providing quality products and services to the customers

The Group has implemented strict quality control standards and closely monitored the product or service quality, and the workmanship of its contractors throughout the property development process in relation to its tourism property development business. During the Period, the Group has also organised a number of promotional events to promote the "Gudou" brand, such as:

- Chinese new year celebrations in February 2021
- Tang's flower festival in March 2021 (大唐花朝節)
- Labor day celebration in May 2021
- 520 celebration in May 2021
- Children's day in June 2021
- Father's day celebration in June 2021

## PRINCIPAL RISK AND UNCERTAINTIES

The principal risks and uncertainties in implementing the Group's business strategies include the following:

- (i) the Group's reliance on existing spring water sources represents a material risk to its business if the mineral content and quality of the hot spring from such sources are adversely affected due to changes in the surrounding geological environment;
- (ii) the Group may not be able to obtain, extend or renew qualification certificates and relevant PRC government approvals for its tourism property developments or other business activities;
- (iii) the Group may not be able to identify attractive acquisition opportunities, or make acquisitions on attractive terms or obtain sufficient financing for completion of such acquisitions;
- (iv) operations of its hot spring involves the risks of accidents, illnesses, environmental incidents which may negatively affect the perception of guests on the safety and hygiene of the Gudou Hot Spring Resort, which could in turn negatively impact the "Gudou" brand or the Group's reputation;
- (v) if the Group is unable to obtain necessary capital resources or suitable sites for tourism property development in a timely manner and at a reasonable cost, the Group's property portfolio and future profitability can be adversely affected; and
- (vi) the Group may not be able to complete the development or construction of its current or future projects on time or within budget which may be subject to the actual circumstances during the development or construction period including supply of skilled labour and unforeseen environmental problems.

In addressing these risks, the Group has constantly monitored status of its spring water sources and engaged hot spring experts for conducting annual check on the quality and quantity of its spring water sources. The Group has also maintained an internal control system for checking the expiry date of its qualification certificates and relevant PRC government approvals. This allows the Group to ensure that it has all requisite consent and licence to conduct its businesses lawfully. In addition, the Group will take a cautious approach when considering potential acquisition opportunities and will only do so if and when the Group has sufficient financing resources and if it thinks that it is in the interest of the Group to do so.

The other risks and uncertainties incidental to the Group's business operations are detailed further in the Prospectus.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business review

The Group is principally engaged in (i) the operation and management of Gudou Hot Spring Resort and provision of consultancy and/or management services to third party resort and hotel operators; and (ii) the development and sale of tourism properties in Guangdong Province.

For the six months ended 30 June 2021, revenue of the Group was approximately RMB33.5 million, representing an increase of 38.1% compared to the corresponding period in 2020 (six months ended 30 June 2020: RMB24.3 million). Loss for the six months ended 30 June 2021 amounted to approximately RMB26.9 million (loss for the six months ended 30 June 2020: RMB34.7 million).

### *Hot Spring Resort and Hotel Operations*

The Group's hot spring resort and hotel operations business faced challenges in the first half of 2021 due to the prolonged and widespread impact of the COVID-19. The Group's turnover derived from hot spring resort and hotel operations increased by approximately 29.9% to approximately RMB29.7 million when compared to the corresponding period of previous year. During the Period, the Group recorded an increase in revenue generated from admission fees to approximately RMB6.1 million, representing an increase of approximately 56.2% compared to that of 2020. The Room Revenue generated from the Group's nine themed hotel complexes increased by approximately 31.6% to approximately RMB13.4 million for the six months ended 30 June 2021 compared to that for 2020. The Occupancy Rate of the Group's nine themed hotel complexes increased from approximately 13% for the six months ended 30 June 2020 to approximately 25% for the six months ended 30 June 2021. The average room rate of the Group's hotel complexes decreased from approximately RMB293 for the six months ended 30 June 2020 to approximately RMB286 for the six months ended 30 June 2021, primarily attributable to the newly-opened city hotels namely, Gudou Spring Superior Hotel\* (古兜泉峰江門記憶酒店), Guangzhou Gudou Quanfeng Residence\* (廣州古兜泉峰公館) and Quantang Yijiangmen Hotel\* (泉峯•憶江門酒店) as they had more competitive room rate in the nine themed hotel complexes during the Period. The Group recorded a mild decrease in revenue generated from catering by approximately 7.2% to RMB5.5 million and an increase in revenue generated from massage service of approximately 152.2% from approximately RMB0.2 million to approximately RMB0.5 million during the Period.

## ***Tourism Property Development***

During the Period, the Group recorded revenue of approximately RMB0.2 million from the provision of renovation services to the tourism property customers (six months ended 30 June 2020: RMB1.4 million).

For the six months ended 30 June 2021, the Group sold and delivered 25 units of Gudou Yishui Mingting Apartments, representing 12.9% of the total saleable GFA of Gudou Yishui Mingting Apartments which contributed revenue of approximately RMB3.6 million, whereas the Group did not conduct any sale of tourism property during the six months ended 30 June 2020. The Directors expect the sale of the jointly developing property projects, Gudou Yishui Mingting Apartments and Guanshanyue Apartments, to be continued in second half year of 2021 and properties to be delivered to its customers from 2021 onwards.

## **Financial review**

### ***Revenue***

During the Period, the Group recorded revenue of approximately RMB33.5 million, representing an increase of approximately 38.1% as compared with approximately RMB24.3 million of the corresponding period in 2020. The increase was primarily attributable to a rise in revenue from the Group's hotel and resort operations business and tourism property development business.

The Group's revenue from hotel and resort operations increased by approximately 29.9% to approximately RMB29.7 million, primarily attributable to an increase in the room revenue generated from the Group's nine themed hotel complexes increased by approximately 31.6% to approximately RMB13.4 million for the six months ended 30 June 2021 compared to that in 2020 and an increase in admission income by approximately 56.2% to approximately RMB6.1 million for the six months ended 30 June 2021.

As for tourism property development business, the Group recorded turnover of approximately RMB3.8 million (six months ended 30 June 2020: RMB1.4 million) which was attributable to the sales of Gudou Yishui Mingting Apartments.

### ***Cost of Sales***

The Group's cost of sales for the Period was approximately RMB34.8 million, representing a increase of approximately 15.7% from approximately RMB30.1 million for the six months ended 30 June 2020.

Such increase was primarily due to the increase in costs of sales from the Group's tourism property development business and the increase in staff costs and energy expenses for operation of the Group's hot spring resort during the Period.



### ***Gross Loss and Gross Loss Margin***

The Group's gross loss was approximately RMB1.3 million and gross loss was approximately RMB5.8 million for the six months ended 30 June 2021 and 2020, respectively. The reduction in gross loss for the Period was resulted from increases in revenue from the hot spring resort and hotel operations and increases in gross profit margin for tourism property development.

The Group's gross loss margin was approximately 4.0% and gross loss margin was approximately 24.1% for the six months ended 30 June 2021 and 2020 respectively. Gross loss margin was a combined effect of the increase in revenue generated from the Group's tourism property development business and the extent of increase in cost of goods sold being lower than the increase in revenue from hot spring resort and hotel operations.

### ***Loss Before Tax***

The Group's loss before tax amounted to RMB26.7 million for the Period, representing a decrease of approximately 21.5% from approximately RMB34.1 million for the same period of last year, primarily reflecting the increased level of the Group's revenue in the Period.

### ***Income Tax Expenses***

The Group's income tax expenses for the Period decreased by approximately 72.3% to approximately RMB0.2 million as compared to approximately RMB0.6 million for the same period of last year. Such decrease in the Group's income tax expenses was attributable to the decrease in deferred tax expenses during the Period.

### ***Net Loss***

The Group's loss for the Period decreased by approximately RMB7.8 million, or 22.4% to approximately RMB26.9 million for the six months ended 30 June 2021 as compared to approximately RMB34.7 million for the same period of last year, which was in line with the Group's increased turnover during the Period.

### ***Liquidity and Financial Resources and Capital Structure***

During the Period, the Group's operations were funded by a combination of internally generated cash flows and bank borrowings.

As at 30 June 2021, the Group had bank and cash balances of approximately RMB6.7 million which were denominated in RMB and HK dollars.

The Group's outstanding capital commitments as at 30 June 2021 amounted to approximately RMB2.3 million (31 December 2020: approximately RMB6.7 million). Such commitments primarily related to construction in progress of the Group. Such outstanding commitments are expected to be funded by internal funds and/or bank borrowings.

As at 30 June 2021, the Group had outstanding bank loans of RMB264.9 million which were denominated in RMB and among which RMB71.0 million were fixed rate borrowings. The Group repaid bank loans of approximately RMB71.4 million, which was in line with the Group's repayment schedule. The maturities of borrowings are disclosed in note 12 to the unaudited condensed consolidated financial statements of the Group. The proceeds from the borrowings were primarily used for capital expenditure, working capital and operating expenses.

The Group's gearing ratio as at 31 December 2020 and 30 June 2021, which was calculated by dividing its total borrowings by its total equity as at those dates, was approximately 0.64 and 0.62 respectively. The gearing ratio as at 30 June 2021 was stable primarily attributable to insignificant changes in total borrowings and total equity.

The Group remains committed to a high degree of financial control, a prudent risk management and the effective utilisation of financial resources. In order to achieve better cost control and minimise costs of funds, the Group's treasury activities are centralised and cash is generally deposited with banks and denominated in RMB, followed by HK dollars.

### **Charges on Group Assets**

As at 30 June 2021, an amount of approximately RMB592.0 million (31 December 2020: approximately RMB597.2 million) was pledged to banks to secure bank facilities granted to the Group.

### **Significant Investments/Material Acquisitions and Disposals**

The Group had not made any significant investments or material acquisitions and disposals of subsidiaries during the Period.

### **Contingent Liabilities**

As at 30 June 2021, the Group had the following contingent liabilities relating to guarantees in respect of mortgage facilities provided by banks to purchasers of the Group amounting to approximately RMB5.1 million (as at 31 December 2020: approximately RMB7.9 million).

The Group has arranged bank financing for certain purchasers of the Group's properties and provided guarantees to secure obligations of such purchaser for repayments. Such guarantees will terminate upon the earlier of (i) the transfer of the real estate ownership certificate to the purchaser which will generally occur within an average period of six months to one year from the completion of the guarantee registration; or (ii) the satisfaction of mortgage loans by the purchasers of the properties.

Pursuant to the terms of the guarantees, upon default of mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principal together with accrued interest and penalties owed by the defaulting purchasers to the banks and the Group is entitled to retain the legal title and take over the possession of the related properties. The Group's guarantee period starts from the date of grant of mortgage. The directors consider that the carrying values of the financial guarantees are immaterial.

### **Exposure to Fluctuations in Exchange Rates**

The Group's revenue and costs are primarily denominated in RMB. Some costs may be denominated in HK dollars. The Group currently does not have a foreign currency hedging policy. However, the Directors continuously monitor the related foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

### **Human Resources**

As at 30 June 2021, the Group had a workforce of 391 full-time employees (including the Directors) of whom approximately 97.6% were employed in the PRC and approximately 2.4% in Hong Kong. The Group's staff costs for the six months ended 30 June 2020 and 2021 amounted to approximately RMB15.2 million and RMB20.0 million, respectively. The Group hires part-time employees from time to time to cope with additional staffing requirements for our hot spring resort and hotel operations during peak seasons. The Group's employees in Hong Kong are required to participate in the Mandatory Provident Fund scheme under which we are required to contribute a fixed percentage of the employees' payroll costs (up to a maximum of HK\$1,500 per month) to the scheme. For the employees of the Group's PRC subsidiary, the Group makes contributions to various government sponsored employee benefit funds, including housing provident fund, basic pension insurance fund, basic medical insurance, unemployment insurance, maternity insurance and work related injury insurance funds in accordance with applicable PRC laws and regulations.

To uphold the "Gudou" brand image and to ensure the quality of the Group's service, all the new hotel staff are required to attend a three-day hospitality pre-job training. The Group also provides hospitality training to the hotel staff on a monthly basis. The Group provides the employees with work safety training to enhance their safety awareness.

The Group generally recruit its employees from the open market. The Group formulate its recruitment policy based on market conditions, business demands and expansion plans. The Group offers different remuneration package to the staff based on their position. In general, the Group pays basic salary and incentive, based on years of service, to all of its employees. The Group's sales personnel and service personnel will also receive additional pay based on their individual skills and performance.

## **RESERVES**

Movements in the reserves of the Group for the six months ended 30 June 2021 are set out in the unaudited condensed consolidated statement of changes in equity set out above.

## **DIVIDENDS**

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2021. During the six months ended 30 June 2020, no interim dividend was paid or declared.

## **BUSINESS PROSPECT**

### **Prospect**

Against the backdrop of COVID-19, Gudou continues to strive for improving its financial performance while putting in place stringent cost control measures. For the first half of 2021, we have seen revenue increased by approximately 38.1% from approximately RMB24.3 million in 2020 to approximately RMB33.5 million while total expenses (being the aggregate of cost of sales, administrative expenses and selling expenses) were subject to tightened control, recording a mild increase by approximately 9.3% from approximately RMB49.8 million in 2020 to approximately RMB54.4 million. As a result, the loss attributable to owners of the company effectively lowered by approximately 22.4% from approximately RMB34.7 million in 2020 to approximately RMB26.9 million in 2021 and the adjusted EBITDAF loss lowered by approximately 53.3% from approximately RMB9.5 million in 2020 to approximately RMB4.4 million in 2021.

Our hot spring resort and hotel business was on track for recovery for the first half of 2021, despite resurgence of COVID-19 had slowed down the growth trajectory in June 2021. Our Occupancy Rate increased to 25% from 13% for the same period in 2020, leading to improvement in RevPAR. Notably, our RevPAR increased from approximately RMB39 in 2020 to approximately RMB71, representing an increase by 79.3%. To further promote business growth and mitigate the seasonality of hot spring resort, the Group had steadily diversified its hotel portfolio in the Guangdong Province by opening three city hotels situated in Jiangmen and Guangzhou, adding Total Available Room Nights by over 19,000 for the Period, representing approximately 10.2% of total available room capacity. As the city hotels are situated in the city and provide accessible accommodation for leisure and daily business travelers, the Occupancy Rate of the city hotels achieved over 60%, compensating the relatively low Occupancy Rate of our resort hotels during low season. Within short period since commencement of operation, it was encouraging that these three city hotels had contributed over 10% room revenue of the Group during the Period.

In respect of our tourism property development business, the Group sold and delivered 25 units of Gudou Yishui Mingting Apartments, representing 12.9% of the total saleable GFA of Gudou Yishui Mingting Apartments. The Directors expect the sale of the jointly developing property projects, Gudou Yishui Mingting Apartments and Guanshanyue Apartments, to continue in second half year of 2021 and properties to be delivered to its customers from 2021 onwards.

The recent COVID-19 resurgence in some provinces in China has inevitably overshadowed the hospitality industry. Nevertheless, we are confident the pandemic will eventually be contained with effective pandemic control by the government and the roll-out of vaccination. The Group will remain focused on converting risk into opportunities and leveraging “Gudou” brand to explore new business opportunities. We are tremendously proud of our team members’ accomplishments, and they will continue to focus on providing excellent value to guests and shareholders.

## **EVENTS AFTER THE REPORTING PERIOD**

On 30 July 2021, Guangdong Gudou and Guangdong Gudou Hotel Management Company Limited\* (廣東古兜酒店管理有限公司) entered into a capital reduction agreement (the “Capital Reduction Agreement”) with the Target Company and the Original Equity Holders. Pursuant to the Capital Reduction Agreement, the parties have agreed, among other things, to terminate the capital increase agreement dated 30 May 2019 and that Guangdong Gudou will exit the Target Company through the capital reduction and will receive a total amount equivalent to the sum of RMB24,150,000 and the interest related thereto from the Target Company. After such capital reduction, the entire equity interest in the Target Company will be held by the Original Equity Holders and the Group will cease to hold any equity interest in the Target Company. Details of which have been disclosed in the announcement of the Company dated 2 August 2021.

## **CODE OF CONDUCT REGARDING DIRECTORS’ SECURITIES TRANSACTIONS**

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry with all Directors, all Directors confirmed that they have complied with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company throughout the Period.

## **COMPETING INTERESTS**

None of the Directors or controlling shareholders of the Company and their respective close associates (as defined in the GEM Listing Rules) had any interest in a business which competed or might compete with the business of the Group or had any other conflict of interest with the Group during the six months ended 30 June 2021.

## **MANAGEMENT CONTRACTS**

No contract concerning the management and administration of the whole or any substantial part of the business of the Company (not being a contract of service with any Director of the Company or any person engaged in the full-time employment of the Company) was entered into or was subsisting during the six months ended 30 June 2021.

## **CORPORATE GOVERNANCE PRACTICES**

The Company is committed to achieving high standards of corporate governance. The Directors believe that sound and reasonable corporate governance practices are essential for the continuing growth of the Group and for safeguarding and maximising shareholders' interests.

During the six months ended 30 June 2021, the Company has complied with the code provisions of the CG Code except that Mr. Hon is currently performing the roles of chairman and chief executive officer of the Company. Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should not be performed by the same individual. Taking into account Mr. Hon's strong expertise in the hot spring and hotel industry, the Board considered that the roles of chairman and chief executive officer of the Company being performed by Mr. Hon enables more effective and efficient overall business planning, decision making and implementation thereof by the Group. In order to maintain good corporate governance and fully comply with such code provision, the Board will regularly review the need to appoint different individuals to perform the roles of chairman and chief executive officer of the Company separately.

## **SHARE OPTION SCHEME**

The Company conditionally adopted the Share Option Scheme on 18 November 2016 which became unconditional upon Listing for a period of 10 years from 9 December 2016.

On 5 April 2017, the Company granted options under the Share Option Scheme. Details of the movement of the Options granted during the Period are as follows:

Grantees	Date of grant	Exercise price per share <i>HK\$</i>	Exercise period	Number of Options				
				balance as at 1 January 2021	granted during the Period	exercised during the Period	cancelled/lapsed during the Period	balance as at 30 June 2021
<b>Directors</b>								
Mr. Hon	5 April 2017	0.62	Subject to the vesting schedule below	4,900,000	—	—	—	4,900,000
Mr. Huang Zhanxiong	5 April 2017	0.62	Subject to the vesting schedule below	4,900,000	—	—	—	4,900,000
Ms. Zhen Yaman	5 April 2017	0.62	Subject to the vesting schedule below	2,450,000	—	—	—	2,450,000
Mr. Hon Ka Fung	5 April 2017	0.62	Subject to the vesting schedule below	2,450,000	—	—	—	2,450,000
Mr. Wu Sai Him	5 April 2017	0.62	Subject to the vesting schedule below	2,450,000	—	—	—	2,450,000
Mr. Chiu Chi Wing	5 April 2017	0.62	Subject to the vesting schedule below	2,450,000	—	—	—	2,450,000
Prof. Wang Dawu	5 April 2017	0.62	Subject to the vesting schedule below	2,450,000	—	—	—	2,450,000
				<b>22,050,000</b>	—	—	—	<b>22,050,000</b>
<b>Consultant</b>								
Mr. Hui Chin Tong Godfrey	5 April 2017	0.62	Subject to the vesting schedule below	7,840,000	—	—	—	7,840,000
<b>Employees in aggregate</b>	5 April 2017	0.62	Subject to the vesting schedule below	17,150,000	—	—	—	17,150,000
<b>Total</b>				<b>47,040,000</b>	—	—	—	<b>47,040,000</b>



The Options are subject to the vesting schedule below and are exercisable during each exercise period specified below:

<b>Exercise Period</b>	<b>Number of underlying Shares subject to the Options:</b>
5 April 2018 to 4 April 2025	25% of the total number of Shares fall to be issued on exercise of the Options
5 April 2019 to 4 April 2025	25% of the total number of Shares fall to be issued on exercise of the Options
5 April 2020 to 4 April 2025	25% of the total number of Shares fall to be issued on exercise of the Options
5 April 2021 to 4 April 2025	25% of the total number of Shares fall to be issued on exercise of the Options

*Notes:*

1. The closing price per Share as quoted on the Stock Exchange on the day immediately before the date of grant was HK\$0.60.

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

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's securities during the six months ended 30 June 2021.

## **AUDIT COMMITTEE**

The audit committee has reviewed this announcement and the Group's unaudited condensed consolidated financial results for the six months ended 30 June 2021, and is of the opinion that the preparation of such results complied with applicable accounting standards and that adequate disclosure has been made in respect thereof.

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

“associate(s)”	has the meaning as ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors
“Capital Increase”	the injection of an aggregate of RMB65,170,000 (equivalent to approximately HK\$78,204,000) to the capital of the Target Company by Guangdong Gudou pursuant to the terms of the capital increase agreement dated 30 May 2019



“CG Code”	Corporate Governance Code as set out in Appendix 15 of the GEM Listing Rules
“close associate”	has the meaning ascribed thereto under the GEM Listing Rules
“Company”	Gudou Holdings Limited (古兜控股有限公司), a company incorporated as an exempted company with limited liability in the Cayman Islands
“Director(s)”	the director(s) of our Company
“First Cooperation Agreement”	a cooperation and development agreement dated 16 July 2019 and entered into between Guangdong Gudou and GD Aoyuan in relation to the development of Target Land A, the details of which are set out in the announcement of the Company dated 16 July 2019 and the circular of the Company dated 2 September 2019
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM, as amended, supplemented and/or otherwise modified from time to time as the context may require
“GD Aoyuan”	Guangdong Aoyuan Co., Ltd.* (奧園集團(廣東)有限公司), a company established under the laws of the PRC and an indirect wholly-owned subsidiary of China Aoyuan Group Limited
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“Guangdong Gudou”	Guangdong Gudou Travel Group Company Limited* (廣東古兜旅遊集團有限公司), a wholly foreign-owned enterprise established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company
“Guanshanyue Apartments”	Guanshanyue Apartments* (觀山悅公館), also known as Gudou Phase II Apartments* (古兜二期公寓), a tourism property project under development jointly developed by Guangdong Gudou and GD Aoyuan at Gudou Hot Spring Resort under the First Cooperation Agreement

“Gudou Hot Spring Resort”	Gudou Hot Spring Resort* (古兜溫泉綜合度假村), the hot spring resort located at Jiangmen City, Guangdong Province, the PRC and operated by the Group
“Gudou Yishui Mingting Apartments”	Gudou Yishui Mingting Apartments* (古兜依水茗亭), also known as Yunfeng Apartments* (雲峰公寓), a tourism property project under development jointly developed by Guangdong Gudou and GD Aoyuan at Gudou Hot Spring Resort under the First Cooperation Agreement
“Harvest Talent”	Harvest Talent Investments Limited, a company incorporated in the British Virgin Islands, which is wholly-owned by Mr. Hon and is one of the controlling shareholders of the Company
“HK\$” or “HK dollar(s)” and “cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing”	the listing of the Shares on GEM on 9 December 2016
“Mr. Hon”	Mr. Hon Chi Ming, founder, chairman, chief executive officer, an executive Director and a controlling shareholder of the Company
“Mrs. Hon”	Ms. Li Wai Ling, the spouse of Mr. Hon and the mother of Mr. Hon Ka Fung
“Occupancy Rate”	Total Occupied Room Nights of a hotel during a period divided by the Total Available Room Nights
“Option(s)”	share options granted on 5 April 2017 pursuant to the Share Option Scheme
“Original Equity Holders”	the three individuals who in total held 100% equity interest in the Target Company prior to the Capital Increase, and in total held 49% equity interest in the Target Company immediately prior to the capital reduction
“Period”	the six months ended 30 June 2021

“PRC”	the People’s Republic of China, save that, for the purpose of this announcement and unless the context otherwise requires, references in this announcement do not include Hong Kong, Macau and Taiwan
“RevPAR”	the Room Revenue of a hotel (including related service charges) during a period divided by the Total Available Room Nights of such hotel during the same period
“Prospectus”	the prospectus of the Company dated 30 November 2016 issued in connection with the Listing
“RMB”	Renminbi, the lawful currency of the PRC
“Room Revenue”	revenue generated from room rates (including related service charges) of the themed hotel complexes in the Gudou Hot Spring Resort
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of our Company
“Shareholder(s)”	holder(s) of the Shares
“Share Option Scheme”	share option scheme conditionally approved and adopted by the Company on 18 November 2016
“Target Company”	Yangjiang City Shijia Property and Development Company Limited* (陽江市世嘉房地產開發有限公司), a company established in the PRC with limited liability and is beneficially owned by the Original Equity Holders prior to the Capital Increase
“Target Land A”	the five parcels of land of approximately 67,860.7 sq.m. in total located at the Gudou Hot Spring Resort and legally and beneficially owned by Guangdong Gudou
“Total Available Room Nights”	all rooms nights available for sale excluding those under renovation or repair and those not for letting
“Total Occupied Room Nights”	all rooms nights sold and including nights provided to guests and property owners on a complimentary basis
“Yunshanjing Mansion”	Yunshanjing Mansion* (雲山境公館), also known as Gudou Phase III* (古兜三期), a tourism property project under development jointly developed by Guangdong Gudou and GD Aoyuan at Gudou Hot Spring Resort under the First Cooperation Agreement

“%”

per cent.

*The English translation of names or any descriptions in Chinese are marked with “\*” and is for the identification purpose only.*

By order of the Board  
**Gudou Holdings Limited**  
**Hon Chi Ming**  
*Chairman and Executive Director*

Hong Kong, 9 August 2021

*As at the date of this announcement, the executive Directors are Mr. Hon Chi Ming, Mr. Huang Zhanxiong, Ms. Zhen Yaman and Mr. Hon Ka Fung, the non-executive Director is Mr. Ruan Yongxi, and the independent non-executive Directors are Mr. Wu Sai Him, Mr. Chiu Chi Wing and Prof. Wang Dawu.*

*This announcement will remain on the GEM website at [www.hkgem.com](http://www.hkgem.com) on the “Latest Listed Company Information” page for at least seven days from the date of its posting and will also be published on the Company’s website at [www.gudouholdings.com](http://www.gudouholdings.com).*