



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 2022

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Hong Kong Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Hong Kong Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this announcement, 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 announcement.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement 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 in this announcement misleading.

INTERIM RESULTS

The Board is pleased to announce the unaudited consolidated financial statements of the Group for the six months ended 30 June 2022 together with the comparative unaudited figures for the corresponding period in 2021, as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2022

		Three months ended		Six months ended	
		30 June		30 June	
		2022	2021	2022	2021
	Note	RMB'000	RMB'000	RMB'000	RMB'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	3	7,124	13,440	20,049	33,495
Cost of sales		(10,079)	(17,086)	(24,295)	(34,828)
Gross loss		(2,955)	(3,646)	(4,246)	(1,333)
Other income	4	882	62	916	107
Fair value (losses)/gains on investment properties		(800)	1,950	(1,490)	3,930
Provision of impairment of trade receivables		–	(474)	–	(474)
Share of loss of an associate		–	(264)	–	(656)
Selling expenses		(544)	(1,639)	(1,457)	(3,113)
Administrative expenses		(8,745)	(8,794)	(15,197)	(16,508)
Loss from operations		(12,162)	(12,805)	(21,474)	(18,047)
Finance costs		(3,998)	(4,361)	(8,043)	(8,695)
Loss before tax		(16,160)	(17,166)	(29,517)	(26,742)
Income tax credit/(expenses)	6	297	(96)	468	(176)
Loss for the periods		(15,863)	(17,262)	(29,049)	(26,918)

	<i>Note</i>	Three months ended		Six months ended	
		30 June		30 June	
		2022	2021	2022	2021
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Other comprehensive income/(loss) for the periods, net of tax					
<i>Items that may be reclassified to profit or loss:</i>					
Currency translation differences		(725)	312	(562)	160
<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)	—	(400)
Total comprehensive loss for the periods		(16,588)	(17,350)	(29,611)	(27,158)

Loss per share

	8	Three months ended		Six months ended	
		30 June		30 June	
		2022	2021	2022	2021
		<i>RMB cents</i>	<i>RMB cents</i>	<i>RMB cents</i>	<i>RMB cents</i>
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Basic and diluted loss per share		(1.6)	(1.8)	(3.0)	(2.7)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

		As at 30 June 2022 <i>RMB'000</i> (Unaudited)	As at 31 December 2021 <i>RMB'000</i> (Audited)
Non-current assets			
Property, plant and equipment	9	230,608	244,477
Right-of-use assets		11,558	38,025
Investment properties		598,670	600,160
Financial assets at fair value through other comprehensive income		55	55
Deferred tax assets		6,725	6,822
		<u>847,616</u>	<u>889,539</u>
Current assets			
Properties held for sale		104,546	104,708
Inventories		2,772	2,848
Accounts receivable	10	2,108	2,749
Prepayments, deposits and other receivables		14,152	24,959
Amount due from a joint operator		37,350	39,705
Restricted bank balances		2,569	2,683
Bank and cash balances		2,348	3,379
		<u>165,845</u>	<u>181,301</u>
TOTAL ASSETS		<u><u>1,013,461</u></u>	<u><u>1,070,570</u></u>
Current liabilities			
Accounts payable	11	41,528	44,417
Accruals and other payables		38,630	30,484
Borrowings	12	94,513	85,514
Lease liabilities		2,349	4,409
Current tax liabilities		63,488	65,852
Contract liabilities		63,984	65,367
		<u>304,492</u>	<u>296,043</u>

		As at 30 June 2022 <i>RMB'000</i> (Unaudited)	As at 31 December 2021 <i>RMB'000</i> (Audited)
	<i>Note</i>		
Non-current liabilities			
Borrowings	<i>12</i>	145,573	165,613
Lease liabilities		10,390	30,184
Loan from a related party	<i>15</i>	5,545	4,893
Amount due to a director	<i>15</i>	621	500
Deferred tax liabilities		175,746	176,238
Deferred income		13,200	13,750
		<u>351,075</u>	<u>391,178</u>
TOTAL LIABILITIES		<u>655,567</u>	<u>687,221</u>
Capital and reserves			
Share capital		8,669	8,669
Reserves		349,225	374,680
TOTAL EQUITY		<u>357,894</u>	<u>383,349</u>
TOTAL LIABILITIES AND EQUITY		<u>1,013,461</u>	<u>1,070,570</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2022

	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>
As at 1 January 2022 (Audited)	8,669	99,249	(3,386)	(3,510)	11,496	(277)	69,528	201,580	383,349
Comprehensive loss									
Loss for the period	-	-	-	-	-	-	-	(29,049)	(29,049)
Other comprehensive loss									
Currency translation differences	-	-	-	(562)	-	-	-	-	(562)
Total comprehensive loss for the period	-	-	-	(562)	-	-	-	(29,049)	(29,611)
Transaction with Owners									
Transfer upon lapse of share options	-	-	-	-	(599)	-	-	599	-
Share-based payment	-	-	-	-	4,156	-	-	-	4,156
Total transactions with owners	-	-	-	-	3,557	-	-	599	4,156
As at 30 June 2022 (Unaudited)	<u>8,669</u>	<u>99,249</u>	<u>(3,386)</u>	<u>(4,072)</u>	<u>15,053</u>	<u>(277)</u>	<u>69,528</u>	<u>173,130</u>	<u>357,894</u>

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2022

	Six Month ended 30 June	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Net cash generated from operating activities	1,189	24,564
Net cash used in from investing activities	13,280	(5,891)
Net cash used in financing activities	<u>(15,380)</u>	<u>(37,673)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(911)	(19,000)
Effect of foreign exchange rate changes	(120)	135
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>3,379</u>	<u>25,518</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>2,348</u>	<u>6,653</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank and cash balances	<u>2,348</u>	<u>6,653</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

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 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 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 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 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		Six months ended	
	30 June		30 June	
	2022	2021	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Resort related operation				
Admission income				
— Hot Spring Valley	893	2,714	4,082	6,086
Catering income	1,513	2,110	3,553	5,530
Conference fee income	128	177	254	370
Massage service income	43	185	155	459
Rental income	545	1,056	1,093	1,697
Other service income	370	775	1,549	2,134
Merchandise sales income	40	—	83	—
Room revenue	3,173	4,660	8,861	13,407
	6,705	11,677	19,630	29,683
Tourism properties				
Property sales	419	1,597	419	3,646
Property renovation income	—	166	—	166
	7,124	13,440	20,049	33,495
Timing of revenue recognition				
At a point in time	3,036	6,783	8,571	16,091
Over time	4,088	6,657	11,478	17,404
	7,124	13,440	20,049	33,495

4 Other income

	Three months ended		Six months ended	
	30 June		30 June	
	2022	2021	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest income	3	8	5	27
Gain on disposal of property, plant and equipment, net	–	54	–	54
Others	879	–	911	26
	<u>882</u>	<u>62</u>	<u>916</u>	<u>107</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 <i>RMB'000</i> (Unaudited)	Property development <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
For the six month ended 30 June 2022			
Segment revenue	<u>19,630</u>	<u>419</u>	<u>20,049</u>
Segment loss	(10,321)	(2,805)	(13,126)
Fair value gains on investment properties			(1,340)
Finance costs			(8,043)
Unallocated corporate expenses			<u>(7,008)</u>
Loss before tax			(29,517)
Income tax expenses			<u>468</u>
Loss for the period			<u>(29,049)</u>
	Hotels and resort operation <i>RMB'000</i> (Unaudited)	Property development <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
As at 30 June 2022			
ASSETS			
Segment assets	<u>395,022</u>	<u>173,263</u>	568,285
Unallocated assets			<u>445,176</u>
Consolidated total assets			<u>1,013,461</u>
LIABILITIES			
Segment liabilities	<u>71,026</u>	<u>94,006</u>	165,032
Unallocated liabilities			<u>490,535</u>
Consolidated total liabilities			<u>655,567</u>

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

	Hotels and resort operation <i>RMB'000</i> (Audited)	Property development <i>RMB'000</i> (Audited)	Total <i>RMB'000</i> (Audited)
As at 31 December 2021			
ASSETS			
Segment assets	427,188	195,207	622,395
Unallocated assets			448,175
Consolidated total assets			1,070,570
LIABILITIES			
Segment liabilities	84,105	109,899	194,004
Unallocated liabilities			493,217
Consolidated total liabilities			687,221

(ii) Geographical information:

All the revenue and non-current assets are based in the PRC for the six month ended 30 June 2022 (the six month ended 30 June 2021: Same).

(iii) Revenue from major customers:

The revenue from the Group's largest customer amounted to RMB2.2 million or 11.1% (six months ended 30 June 2021: RMB2.8 million or 8.4%) of the Group's total turnover for the six month ended 30 June 2022.

6 Income tax credit/(expenses)

For the six months ended 30 June 2022, 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 2021: 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		Six months ended	
	30 June		30 June	
	2022	2021	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current tax				
PRC enterprise income tax	–	–	1	1
Land appreciation tax	24	152	24	269
	<u>24</u>	<u>152</u>	<u>25</u>	<u>270</u>
Deferred tax	(321)	(56)	(493)	(94)
	<u>(297)</u>	<u>96</u>	<u>(468)</u>	<u>176</u>

7 Dividend

No dividend was paid or declared by the Company during the six months ended 30 June 2022, nor has any dividend been proposed since the end of the reporting period (six months ended 30 June 2021: 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		Six months ended	
	30 June	2021	30 June	2021
	2022	(Unaudited)	2022	(Unaudited)
	(Unaudited)		(Unaudited)	
Loss attributable to owners of the Company (RMB'000)	(15,263)	(17,262)	(29,049)	(26,918)
Weighted average number of ordinary shares in issue ('000) (Note)	980,000	980,000	980,000	980,000
Basic losses per share (RMB cents)	<u>(1.6)</u>	<u>(1.8)</u>	<u>(3.0)</u>	<u>(2.7)</u>

Note:

For the six months ended 30 June 2022 and 2021, 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 2021 (audited)	513,068
Additions	875
Exchange differences	65
As at 30 June 2022 (unaudited)	<u>514,008</u>

Accumulated depreciation

As at 31 December 2021 (audited)	268,591
Additions	14,750
Exchange differences	59
As at 30 June 2022 (unaudited)	<u>283,400</u>

Carrying amount

As at 30 June 2022 (unaudited)	<u>230,608</u>
As at 31 December 2021 (audited)	<u>244,477</u>

10 Accounts receivable

	As at 30 June 2022 <i>RMB'000</i> (Unaudited)	As at 31 December 2021 <i>RMB'000</i> (Audited)
Accounts receivable	11,307	11,948
Less: allowance for impairment	<u>(9,199)</u>	<u>(9,199)</u>
Accounts receivable, net	<u><u>2,108</u></u>	<u><u>2,749</u></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 30 June 2022 <i>RMB'000</i> (Unaudited)	As at 31 December 2021 <i>RMB'000</i> (Audited)
Up to 30 days	739	1,457
31 to 60 days	183	495
61 to 90 days	49	245
Over 90 days	<u>10,336</u>	<u>9,751</u>
	<u><u>11,307</u></u>	<u><u>11,948</u></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 30 June 2022 <i>RMB'000</i> (Unaudited)	As at 31 December 2021 <i>RMB'000</i> (Audited)
Up to 90 days	1,834	4,128
91 to 180 days	2,151	1,680
181 to 365 days	4,088	8,575
Over 1 year	<u>33,455</u>	<u>30,034</u>
	<u><u>41,528</u></u>	<u><u>44,417</u></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 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Bank loans	<u>240,086</u>	<u>251,127</u>
	<u>240,086</u>	<u>251,127</u>

The borrowings are repayable as follows:

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Within one year	94,513	85,514
Between one and two years	73,188	75,434
Between two and five years	<u>72,385</u>	<u>90,179</u>
	240,086	251,127
<i>Less:</i> Amount due for settlement within 12 months (shown under current liabilities)	<u>(94,513)</u>	<u>(85,514)</u>
Amount due for settlement after 12 months	<u>145,573</u>	<u>165,613</u>

13 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 2022 <i>RMB'000</i> (Unaudited)	As at 31 December 2021 <i>RMB'000</i> (Audited)
Within one year	1,910	1,786
One to two years	1,267	1,395
Two to three years	1,242	1,399
Three to four years	1,246	1,411
Four to five years	1,227	1,309
More than five years	8,144	8,559
	<u>15,036</u>	<u>15,859</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.

14 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 2022 <i>RMB'000</i> (Unaudited)	As at 31 December 2021 <i>RMB'000</i> (Audited)
Guarantees in respect of mortgage facilities for certain purchasers of the Group's properties	<u>4,704</u>	<u>5,448</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.

15 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.

During the six months ended 30 June 2022 and as at 30 June 2022, 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.

Also on 30 June 2022, China Aoyuan has transferred its shares in the Company to New Ray Developments Limited and Sky Success Ventures Limited, both of which are corporations wholly-owned by Mr. Tam Ka Wai. Accordingly, Mr. Tam Ka Wai has become a major shareholder of the Company owned 29.18% of the Company's issued shares.

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 2022.

(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 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Loan from a related party (<i>Note i</i>)	5,545	4,893
Amount due to a director (<i>Note ii</i>)	621	500

(i) The amount is unsecured, interest-bearing at 2.5% per annum and due in 2023.

(ii) The amount is unsecured, interest-free and due in 2023.

(b) Transactions with related parties

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

	Six months ended 30 June	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Salary of Mrs. Hon (Spouse of an executive director)	<u>41</u>	<u>66</u>

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

	Six months ended 30 June	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Salaries, bonus and allowances	1,426	2,014
Pension costs		
— defined contribution plans	41	95
Share-based payment	<u>3,629</u>	<u>113</u>
	<u>5,096</u>	<u>2,222</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 2022. 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 2022
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	(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.
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 2022 and properties to be delivered to its customers from 2022 onwards.

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:
- 2022 Gudou Caishen Cultural Tourism Festival from January to February 2022
 - Gudou Childhood Water Park of opened in April 2022

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 2022, revenue of the Group was approximately RMB20.0 million, representing an decrease of 40.1% compared to the corresponding period in 2021 (six months ended 30 June 2021: RMB33.5 million). Loss for the six months ended 30 June 2022 amounted to approximately RMB29.0 million (loss for the six months ended 30 June 2021: RMB26.9 million).

Hot Spring Resort and Hotel Operations

The Group's hot spring resort and hotel operations business faced challenges in the first half of 2022 due to the prolonged and widespread impact of the COVID-19. The Group's turnover derived from hot spring resort and hotel operations decreased by approximately 33.9% to approximately RMB19.6 million when compared to the corresponding period of previous year. During the Period, the Group recorded an decrease in revenue generated from admission fees to approximately RMB4.1 million, representing an decrease of approximately 32.9% compared to that of 2021. The Room Revenue generated from the Group's themed hotel complexes decreased by approximately 33.9% to approximately RMB8.9 million for the six months ended 30 June 2022 compared to that for 2021. The Occupancy Rate of the Group's themed hotel complexes decreased from approximately 25% for the six months ended 30 June 2021 to approximately 21% for the six months ended 30 June 2022. The average room rate of the Group's hotel complexes increased from approximately RMB286 for the six months ended 30 June 2021 to approximately RMB302 for the six months ended 30 June 2022, primarily attributable to more sales contributed from Luxury Resort Hotels which has higher room rates. The Group recorded a decrease in revenue generated from catering by approximately 35.8% to approximately RMB3.6 million and an decrease in revenue generated from massage service of approximately 66.2% from approximately RMB0.5 million to approximately RMB0.2 million during the Period.

Tourism Property Development

Revenue from the tourism property development business was approximately RMB0.4 million, representing a decrease of approximately 89.0% from approximately RMB3.8 million for the six months ended 30 June 2021. Such decrease was mainly attributable to continuing low demand in general real estate market environment during the Period.

During the Period, we sold and delivered 3 units (approximately 1.5% of the total saleable GFA) of Gudou Yishui Mingting Apartments. We expect the sales and delivery of Gudou Yishui Mingting Apartments to continue in 2022. Steady progress is also made in the construction for the other tourism property, namely Guanshanyue Apartments. The property are expected to be delivered to property owners in 2022.

Financial review

Revenue

During the Period, the Group recorded revenue of approximately RMB20.0 million, representing a decrease of approximately 40.1% as compared with approximately RMB33.5 million of the corresponding period in 2021. The decrease was primarily attributable to a decrease 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 decreased by approximately 33.9% to approximately RMB19.6 million, primarily attributable to a decrease in the room revenue generated from the Group's themed hotel complexes decreased by approximately 33.9% to approximately RMB8.9 million for the six months ended 30 June 2022 compared to that in 2021 and an decrease in admission income by approximately 32.9% to approximately RMB4.1 million for the six months ended 30 June 2022.

As for tourism property development business, the Group recorded turnover of approximately RMB0.4 million (six months ended 30 June 2021: RMB3.8 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 RMB24.3 million, representing a decrease of approximately 30.2% from approximately RMB34.8 million for the six months ended 30 June 2021.

Such decrease was primarily due to the decrease in costs of sales from the Group's tourism property development business and the decrease in staff costs and food and beverages costs 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 RMB4.2 million and gross loss was approximately RMB1.3 million for the six months ended 30 June 2022 and 2021, respectively. The increase in gross loss for the Period was resulted from decrease in revenue from the hot spring resort and hotel operations.

The Group's gross loss margin was approximately 21.2% and gross loss margin was approximately 4.0% for the six months ended 30 June 2022 and 2021 respectively. Gross loss margin was a combined effect of the decrease in revenue generated from the Group's tourism property development business and the extent of decrease in cost of goods sold being lower than the decrease in revenue from hot spring resort and hotel operations.

Loss Before Tax

The Group's loss before tax amounted to approximately RMB29.5 million for the Period, representing an increase of approximately 10.4% from approximately RMB26.7 million for the same period of last year, was attributable to (i) lower fair value gains on investment properties, (ii) decreased level of revenue; and (iii) an increase in gross loss margin in the Period.

Income Tax Expenses

The Group's income tax credit for the Period were approximately RMB0.5 million, representing a decrease by approximately 365.9% from approximately RMB0.2 million tax expenses for the six months ended 30 June 2021, which is mainly due to a decrease in land appreciation tax and a decrease in deferred tax expenses, which reflects the fair value losses on investment properties of the Group during the Period.

Net Loss

The Group's loss for the Period increased by approximately RMB2.1 million, or 7.9% to approximately RMB29.0 million for the six months ended 30 June 2022 as compared to approximately RMB26.9 million for the same period of last year. Such increase in net loss was primarily attributable to (i) a decrease in fair value gains on investment properties, (ii) decreased level of revenue; and (iii) an increase in gross loss margin, partially offset by a decrease in income tax expenses.

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 2022, the Group had bank and cash balances of approximately RMB2.3 million which were denominated in RMB and HK dollars.

There is no outstanding commitments of the Group as at 30 June 2022 (31 December 2021: Nil).

As at 30 June 2022, the Group had outstanding bank loans of approximately RMB240.1 million which were denominated in RMB and among which approximately RMB128.2 million were fixed rate borrowings. The Group repaid bank loans of approximately RMB41.3 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. As at 30 June 2022, the Group had an outstanding loan from a related party of approximately RMB5.5 million.

The Group's gearing ratio as at 31 December 2021 and 30 June 2022, which was calculated by dividing its total borrowings by its total equity as at those dates, was approximately 0.68 and 0.69 respectively. The gearing ratio as at 30 June 2022 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 2022, an amount of approximately RMB537.5 million (31 December 2021: approximately RMB516.5 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.

As at 30 June 2022, the Group has no concrete plans for material investments or capital assets.

Contingent Liabilities

As disclosed in Note 14 to the unaudited Condensed Consolidated Statement of Financial Position as at 30 June 2022, 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. Save for the above, as at 30 June 2022, the Group did not have any significant contingent liabilities.

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 2022, the Group had a workforce of 272 full-time employees (including the Directors) of whom approximately 98.2% were employed in the PRC and approximately 1.8% in Hong Kong. The Group's staff costs for the six months ended 30 June 2021 and 2022 amounted to approximately RMB20.0 million and RMB14.3 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. The Group also strive to maintain diversity of gender in its workforce as part of its effort to contribute to gender equality and discharge its social responsibilities. As at 30 June 2022, the Group has approximately 107 male employees and approximately 165 female employees.

RESERVES

Movements in the reserves of the Group for the six months ended 30 June 2022 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 2022. During the six months ended 30 June 2022, no interim dividend was paid or declared, nor has any dividend been proposed since the end of the reporting period (six months ended 30 June 2021: Nil).

BUSINESS PROSPECT

Prospect

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 measures adopted by the government and the continuing implementation of vaccination plan. The Group also sees signs of improvement in occupancy of the hotel resort in the recent month after the Period ended, but will remain cautious to any change and latest development of the tourism market and focused on converting risk into opportunities and leveraging “Gudou” brand to explore new business opportunities. The Group will remain focused on the hospitality industry and will closely monitor the market performance to grasp any opportunities to strengthen its hotels and resort operation. While the Group may continue to engage in development and sales of tourism properties in Guangdong Province, the Group has no current plan to expand the segment and in light of the challenging real property market environment in China, the Group has no plan to extend its operation into development of properties other than for tourism purpose in the near future. We are tremendously proud of our team members’ accomplishments, and they will continue to focus on providing excellent value to guests and shareholders.

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 2022.

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 2022.

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 2022, 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 C.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.

Following the resignation of Ms. Zhen Yaman with effect from 16 June 2022, the Company does not have a Director of a different gender, and hence the Company did not meet the requirement set out in rule 17.104 of the GEM Listing Rules that the Company shall appoint at least a Director of a different gender no later than 31 December 2024. The Board will make its best endeavors to identify a suitable candidate for appointment as Director as soon as practicable no later than 31 December 2024 in order to ensure compliance by the Company with the requirement under rule 17.104 of the GEM Listing Rules.

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 and 20 June 2022, the Company granted options under the Share Option Scheme. Details of the movement of the share options granted during the Period are as follows:

Grantees	Date of grant	Exercise price per share HK\$	Exercise period	Number of share options				
				balance as at 1 January 2022	granted during the Period	exercised during the Period	cancelled/lapsed during the Period	balance as at 30 June 2022
Directors								
Mr. Hon	5 April 2017	0.62 <i>(Note 1)</i>	Subject to the vesting schedule below	4,900,000	–	–	–	
	20 June 2022	0.1742 <i>(Note 2)</i>	20/06/2022-17/11/2026		9,500,000			14,400,000
Mr. Huang Zhanxiong	5 April 2017	0.62 <i>(Note 1)</i>	Subject to the vesting schedule below	4,900,000	–	–	–	
	20 June 2022	0.1742 <i>(Note 2)</i>	20/06/2022-17/11/2026		8,000,000			12,900,000
Ms. Zhen Yaman	5 April 2017	0.62 <i>(Note 1)</i>	Subject to the vesting schedule below	2,450,000	–	–	(2,450,000)	–
Mr. Liang Juquan	5 April 2017	0.62 <i>(Note 1)</i>	Subject to the vesting schedule below	4,900,000	–	–	–	
	20 June 2022	0.1742 <i>(Note 2)</i>	20/06/2022-17/11/2026		9,500,000			14,400,000
Mr. Hon Ka Fung	5 April 2017	0.62 <i>(Note 1)</i>	Subject to the vesting schedule below	2,450,000	–	–	–	
	20 June 2022	0.1742 <i>(Note 2)</i>	20/06/2022-17/11/2026		9,500,000			11,950,000
Mr. Wu Sai Him	5 April 2017	0.62 <i>(Note 1)</i>	Subject to the vesting schedule below	2,450,000	–	–	–	
	20 June 2022	0.1742 <i>(Note 2)</i>	20/06/2022-17/11/2026		900,000			3,350,000
Mr. Chiu Chi Wing	5 April 2017	0.62 <i>(Note 1)</i>	Subject to the vesting schedule below	2,450,000	–	–	–	
	20 June 2022	0.1742 <i>(Note 2)</i>	20/06/2022-17/11/2026		900,000			3,350,000
Prof. Wang Dawu	5 April 2017	0.62 <i>(Note 1)</i>	Subject to the vesting schedule below	2,450,000	–	–	–	
	20 June 2022	0.1742 <i>(Note 2)</i>	20/06/2022-17/11/2026		900,000			3,350,000
				26,950,000	39,200,000	–	(2,450,000)	63,700,000

5. The significant inputs into the model were closing Share price of HK\$0.17 at the grant date, exercise price shown above, volatility of 93%, dividend yield of 0%, an expected option life of 4.4 years, annual risk-free interest rate of 2.92% and exercise multiples of 2.8 or 2.2. The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices of the Company. The total expenses recognised in the unaudited consolidated statement of comprehensive income for the six months ended 30 June 2022 amounted to approximately RMB4.2 million.
6. The variables and assumptions used in computing the fair value of the share options are based on Directors' best estimate. Change in variables and assumptions may result in changes in fair value of the Options.

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 2022.

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 2022, 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
“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
“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
“Period”	the six months ended 30 June 2022
“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
“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 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

“%” 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, 11 August 2022

As at the date of this announcement, the executive Directors are Mr. Hon Chi Ming, Mr. Huang Zhanxiong, Mr. Liang Juquan and Mr. Hon Ka Fung, the non-executive Director is Mr. Tam Man Chiu, 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 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.