



2020

FIRST QUARTERLY REPORT

古兜控股有限公司

Gudou Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8308

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This report, 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 report 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 in this report misleading.

Highlights

- For the three months ended 31 March 2020, revenue of the Group was approximately RMB10.0 million, representing a decrease of approximately 69.5% as compared to the corresponding period in 2019.
- For the three months ended 31 March 2020, gross loss of the Group amounted to approximately RMB6.3 million while the Group recorded a gross profit of approximately RMB5.3 million for the three months ended 31 March 2019.
- Net loss for the three months ended 31 March 2020 amounted to approximately RMB21.8 million while the Group recorded a loss of approximately RMB8.3 million for the three months ended 31 March 2019.
- Basic loss per share for the three months ended 31 March 2020 was RMB2.23 cents, compared with basic loss per share of RMB0.84 cents for the three months ended 31 March 2019.
- The Board does not recommend the payment of any interim dividend for the three months ended 31 March 2020. For the three months ended 31 March 2019, no interim dividend was paid or declared.

First Quarterly Results

The Board is pleased to announce the unaudited consolidated financial statements of the Group for the three months ended 31 March 2020 together with the comparative unaudited figures for the corresponding period in 2019, as follows:

Unaudited Consolidated Statement of Comprehensive Income

For the three months ended 31 March 2020

		Three months ended 31 March	
	Note	2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited and restated)
Revenue	3	10,030	32,840
Cost of sales		<u>(16,338)</u>	<u>(27,570)</u>
Gross (loss)/profit		(6,308)	5,270
Other income		34	44
Fair value gains on investment properties		900	6,130
Share of loss of an associate		(214)	—
Selling expenses		(2,771)	(3,446)
Administrative expenses		(8,343)	(10,337)
Loss from operations		(16,702)	(2,339)
Finance costs		<u>(4,887)</u>	<u>(4,288)</u>
Loss before tax		(21,589)	(6,627)
Income tax expenses	4	<u>(226)</u>	<u>(1,632)</u>
Loss for the period		(21,815)	(8,259)

		Three months ended	
		31 March	
<i>Note</i>	2020	2019	
	RMB'000	<i>RMB'000</i>	
	(Unaudited)	(Unaudited and restated)	
Other comprehensive income for the period, net of tax			
<i>Items that may be reclassified to profit or loss:</i>			
Currency translation differences	(196)	228	
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value gain on financial assets at fair value through other comprehensive income	121	106	
Total comprehensive loss for the period	<u>(21,890)</u>	<u>(7,925)</u>	
Loss per share			
	2020	2019	
	RMB cents	<i>RMB cents</i>	
	(Unaudited)	(Unaudited and restated)	
Basic and diluted loss per share	<u>(2.23)</u>	<u>(0.84)</u>	6

Unaudited Consolidated Statement of Changes In Equity

For the three months ended 31 March 2020

	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 2020 (Audited)	8,669	99,249	(2,728)	(4,950)	10,287	(277)	69,528	268,269	448,047
Comprehensive income									
Loss for the period	—	—	—	—	—	—	—	(21,815)	(21,815)
Other comprehensive income									
Currency translation differences	—	—	—	(196)	—	—	—	—	(196)
Fair value gain on financial assets at fair value through other comprehensive income	—	—	121	—	—	—	—	—	121
Total comprehensive loss for the period	—	—	121	(196)	—	—	—	(21,815)	(21,890)
Transactions with owners in their capacity as owners									
Share-based payment	—	—	—	—	455	—	—	—	455
As at 31 March 2020 (Unaudited)	<u>8,669</u>	<u>99,249</u>	<u>(2,607)</u>	<u>(5,146)</u>	<u>10,742</u>	<u>(277)</u>	<u>69,528</u>	<u>246,454</u>	<u>426,612</u>

	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 2019 (Audited)	8,669	99,249	(2,124)	(4,731)	9,349	(277)	69,528	242,773	422,436
Comprehensive income									
Loss for the period	—	—	—	—	—	—	—	(8,259)	(8,259)
Other comprehensive income									
Currency translation differences	—	—	—	228	—	—	—	—	228
Fair value gain on financial assets at fair value through other comprehensive income	—	—	106	—	—	—	—	—	106
Total comprehensive loss for the period	—	—	106	228	—	—	—	(8,259)	(7,925)
Transactions with owners in their capacity as owners									
Share-based payment	—	—	—	—	877	—	—	—	877
Restated total equity as at 31 March 2019 (Restated and unaudited)	<u>8,669</u>	<u>99,249</u>	<u>(2,018)</u>	<u>(4,503)</u>	<u>10,266</u>	<u>(277)</u>	<u>69,528</u>	<u>234,514</u>	<u>415,388</u>

Notes to the Unaudited Consolidated Financial Statements

For the three months ended 31 March 2020

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 Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands. The address of its principal place of business is Gudou Hot Spring Resort, Yamen Town, Xinhui District, Jiangmen City, Guangdong Province, the People's Republic of China ("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 hot spring resort, hotel operations and tourism property development in the PRC.

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

2. Basis of preparation

The unaudited consolidated financial statements of the Group for the 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 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.

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 Period have not been audited by the Company's independent auditor, but have been reviewed by the Company's audit committee.

3 Revenue

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

	Three months ended	
	31 March	
	2020	2019
	RMB'000	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Property sales	—	6,620
Properties renovation income	446	—
Room revenue	3,852	11,558
Admission income	1,056	5,110
Catering income	2,828	6,070
Rental income	596	455
Massage service income	150	592
Conference fee income	461	721
Consultancy service income	—	850
Other service income	641	864
	10,030	32,840

4 Income tax expenses

For the three months ended 31 March 2020, no provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong (three months ended 31 March 2019: 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 31 March	
	2020	2019
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax		
PRC enterprise income tax	1	1
Land appreciation tax	—	331
	<u>1</u>	<u>332</u>
Deferred tax	225	1,300
	<u>226</u>	<u>1,632</u>

5 Dividend

No dividend was paid or declared by the Company during the three months ended 31 March 2020, nor has any dividend been proposed since the end of the reporting period (three months ended 31 March 2019: Nil).

6 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 31 March	
	2020	2019
	(Unaudited)	(Unaudited and restated)
Loss attributable to owners of the Company (RMB'000)	(21,815)	(8,259)
Weighted average number of ordinary shares in issue ('000)	<u>980,000</u>	<u>980,000</u>
Basic loss per share (RMB cents)	<u><u>(2.23)</u></u>	<u><u>(0.84)</u></u>

Note:

For the three months ended 31 March 2020 and 2019, the diluted loss per share were equal to the basic loss per share because the Company was in loss position.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group is principally engaged in the operation and management of Gudou Hot Spring Resort and the development and sale of tourism properties within Gudou Hot Spring Resort.

For the three months ended 31 March 2020, revenue of the Group was approximately RMB10.0 million, representing a decrease of approximately 69.5% as compared to the corresponding period in 2019 (three months ended 31 March 2019: RMB32.8 million). Loss attributable to owners of the Company for the three months ended 31 March 2020 amounted to approximately RMB21.8 million (Loss attributable to owners of the Company for the three months ended 31 March 2019: RMB8.3 million).

Hot Spring Resort and Hotel Operations

The Group's hot spring resort and hotel operations business was significantly negatively affected by the outbreak of novel coronavirus pneumonia ("COVID-19") in the Period. The Group's turnover derived from hot spring resort and hotel operations decreased by approximately 63.4% to approximately RMB9.6 million when compared to the corresponding period of previous year. During the Period, the Group recorded a decrease in revenue generated from admission fees to approximately RMB1.0 million, representing a decrease of approximately 79.3% compared to that of 2019. The room revenue generated from the Group's six themed hotel complexes decreased by approximately 66.7% to approximately RMB3.9 million for the three months ended 31 March 2020 compared to that in 2019. The Occupancy Rate of the Group's six themed hotel complexes decreased from approximately 32.2% for the three months ended 31 March 2019 to approximately 25.2% for the three months ended 31 March 2020. The average room rate of the Group's six themed hotel complexes increased from approximately RMB266.0 for the three months ended 31 March 2019 to approximately RMB274.4 for the three months ended 31 March 2020, primarily attributable to the newly-opened Yuequan Huju Hotel and it had the highest room rate in the six themed hotel complexes.

The Group also recorded decreases in revenue generated from catering by approximately 53.4% and conference room services by approximately 36.1%, respectively.

There was no revenue arising from the provision of consultancy services during the Period while the Group recorded a drop of approximately 100% from approximately RMB0.9 million for the corresponding period of 2019, mainly attributable to cessation of consultancy services caused by the outbreak of COVID-19.

Tourism Property Development

For the three months ended 31 March 2019, the Group sold and delivered 22 units of Heart of Spring Apartments, representing 5.5% of the total saleable GFA of Heart of Spring Apartments which contributed revenue of approximately RMB6.6 million, whereas the Group did not conduct any sale of tourism property during the Period. The Company expects major pre-sale of Gudou Yishui Mingting Apartments and Guanshanyue Apartments to be continued in 2020 and properties to be delivered to its customers from 2020 onwards.

Financial review

Revenue

The Group recorded turnover of approximately RMB10.0 million for the Period (corresponding period in 2019: approximately RMB32.8 million), representing a decrease of approximately 69.5% when compared with the corresponding period in the previous year. The decrease in turnover was primarily attributable to the drop in revenue generated from the Group's hot spring resort and hotel operations business. The Group's revenue generated from hot spring resort and hotel operations reduced by approximately 63.4% to approximately RMB9.6 million, primarily attributable to the temporary suspension of the operation of Gudou Hot Spring Resort in response to the precautionary policies and measures implemented by the Guangdong provincial government to deter the spread of COVID-19.

The Group recorded turnover of approximately RMB0.4 million from tourism property development (corresponding period in 2019: RMB6.6 million) which was attributable to the provision of renovation services to the tourism property customers.

Cost of Sales

The Group's cost of sales for the Period was approximately RMB16.3 million, representing a decrease of approximately 40.7% from approximately RMB27.6 million for the three months ended 31 March 2019. Such decrease was primarily due to the Group did not conduct any sale of tourism property and the decrease in F&B costs, staff costs and energy expenses due to the temporary suspension of operation of the Group's hot spring resort during the Period.

Gross (Loss)/Profit and Gross (Loss)/Profit Margin

The Group's gross loss amounted to approximately RMB6.3 million for the Period, representing a decrease of approximately RMB11.6 million from approximately a profit of RMB5.3 million for the same period of last year, which was mainly due to the temporary suspension of the operation of Gudou Hot Spring Resort in the Period. The Group's gross loss margin for the Period was approximately 62.9% as compared to a gross profit margin of approximately 16.0% for the same period of last year. Such increase in the Group's gross loss margin for the Period was primarily due to the decrease in revenue generated from the Group's hot spring resort and hotel operations business while the relevant operation costs were partially fixed and the proportion of its decrease were lesser than the relevant revenue decreased.

Loss Before Tax

The Group's loss before tax amounted to approximately RMB21.6 million for the Period when compared to a loss before tax of approximately RMB6.6 million for the same period of last year, primarily reflecting the decreased level of the Group's revenue in the Period.

Income Tax Expenses

The Group's income tax expenses for the Period decreased by approximately 86.2%, or RMB1.4 million to approximately RMB0.2 million as compared to approximately RMB1.6 million for the same period of last year. Such decrease in the Group's income tax expenses was mainly attributable to the decrease in deferred tax expenses due to the lower fair value gains and the absence of land appreciation tax during the Period.

Net Loss

The Group's loss for the Period increased by approximately RMB13.6 million or approximately 164.1% to approximately RMB21.8 million as compared to a loss of approximately RMB8.3 million for the same period of last year, which was in line with the Group's decreased turnover during the Period.

BUSINESS PROSPECT

Prospect

Upholding its core values and belief in health regimen, the Group will continue to operate and grow its business and enhance its "Gudou" brand in the rest of 2020. The Group will enhance the ambiance and existing facilities of Gudou Hot Spring Resort. The Group will continue to explore new business opportunities to provide consultancy services and/ or management services to leisure hotels and resorts and other hot spring resort operators, as well as to embark on new tourism property development projects.

The Company will continue to monitor the evolving situation and deploy cost savings strategies significantly to minimise the negative impact of COVID-19 on the Group. In spite of the ongoing challenges in our business, we maintain a positive view towards the future of the Group. The Board will review and strive to enhance overall operational efficiency, adjust the Group's property development portfolio and strategies to match with the market demand, and capture the right growth opportunities while guarding the Group against economic headwinds.

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2020, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meanings of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as required, pursuant to the minimum standards of dealing by the Directors as referred to in Rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Exchange were as follows:

Long positions in the Shares

Name	Capacity/ Nature of interest	Interests in ordinary Shares (Note 1)	Number of underlying shares held under equity derivatives	Total	Percentage of the Company's issued share capital as at 31 March 2020 (Note 2)
Mr. Hon	Interest of a controlled corporation (Notes 3) Beneficial owner (Note 4)	336,500,000 (L)	4,900,000	341,400,000	34.84%
Mr. Huang Zhanxiang	Beneficial owner (Note 4)	—	4,900,000	4,900,000	0.50%
Ms. Zhen Yaman	Beneficial owner (Note 4)	—	2,450,000	2,450,000	0.25%
Mr. Hon Ka Fung	Beneficial owner (Note 4)	—	2,450,000	2,450,000	0.25%
Mr. Wu Sai Him	Beneficial owner (Note 4)	—	2,450,000	2,450,000	0.25%
Mr. Chiu Chi Wing	Beneficial owner (Note 4)	—	2,450,000	2,450,000	0.25%
Prof. Wang Dawu	Beneficial owner (Note 4)	—	2,450,000	2,450,000	0.25%

Notes:

- The letter "L" denotes the person's long position in the Shares.
- The percentage of the Company's issued share capital is based on the 980,000,000 Shares issued as at 31 March 2020.
- Mr. Hon owns one share (with no par value) in Harvest Talent, representing 100% of its issued share capital. Harvest Talent is an associated corporation (within the meaning of Part XV of the SFO) of the Company and the registered owner of 336,500,000 Shares. By virtue of the SFO, Mr. Hon is deemed to be interested in all the Shares held by Harvest Talent.
- These underlying shares of the Company held under equity derivatives represented the share options (being regarded for the time being as unlisted physically settled equity derivatives) granted by the Company under its Share Option Scheme. Particulars of these share options and their movements during the three months ended 31 March 2020 are set out in the section headed "Share Option Scheme".

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

So far as is known to any Director or chief executive of the Company, as at 31 March 2020, the interests and short positions of substantial shareholders and other persons, other than the Directors or chief executives of the Company, in the Shares and the underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name	Capacity/ Nature of interest	Interests in ordinary Shares (Note 1)	Number of underlying shares held under equity derivatives	Total	Percentage of the Company's issued share capital as at 31 March 2020 (Note 2)
Harvest Talent	Beneficial owner	336,500,000 (L)	—	336,500,000	34.34%
Mrs. Hon	Interest of spouse (Note 3)	336,500,000 (L)	4,900,000	341,400,000	34.84%
Phoenix Virtue Limited	Beneficial owner (Note 4)	286,000,000 (L)	—	286,000,000	29.18%
Add Hero Holdings Limited	Interest of a controlled corporation (Note 4)	286,000,000 (L)	—	286,000,000	29.18%
China Aoyuan Group Limited	Interest of a controlled corporation (Note 4)	286,000,000 (L)	—	286,000,000	29.18%
Fu An	Beneficial owner (Note 5)	60,000,000 (L)	—	60,000,000	6.12%
Wealth Promise	Nominee for another person (Note 5)	60,000,000 (L)	—	60,000,000	6.12%
Mr. Li Chao Wang	Interest of a controlled corporation (Note 6)	97,500,000 (L)	—	97,500,000	9.95%
Ms. Song Min	Interest of spouse (Note 7)	97,500,000 (L)	—	97,500,000	9.95%

Notes:

1. The letter "L" denotes the person's long position in the Shares.
2. The percentage of the Company's issued share capital is based on the 980,000,000 Shares issued as at 31 March 2020.
3. By virtue of the SFO, Mrs. Hon, the spouse of Mr. Hon, is deemed to be interested in all the Shares in which Mr. Hon is interested.

4. Phoenix Virtue Limited is wholly-owned by Add Hero Holdings Limited, which in turn is wholly-owned by China Aoyuan Group Limited. China Aoyuan Group Limited is owned as to 51.86% by Ace Rise Profits Limited and 55.22% by Joy Pacific Group Limited (including interests held by Ace Rise Profits Limited). Ace Rise Profits Limited is owned as to 90% by Joy Pacific Group Limited, which in turn is wholly-owned by Sturgeon Limited. Sturgeon Limited is wholly-owned by Asia Square Holdings Ltd., as nominee and trustee for J. Safra Sarasin Trust Company (Singapore) Ltd. as the trustee holding such interests on trust for the beneficiaries of The Golden Jade Trust. The Golden Jade Trust is a discretionary family trust established under the laws and regulations of Singapore. Mr. Guo Ziwen and Ms. Jiang Miner are the settlors of The Golden Jade Trust.
5. These Shares are registered in the name of Wealth Promise as the nominee of Fu An. Wealth Promise is wholly-owned by Fu An.
6. Fu An is beneficially owned as to 74.21% by Mr. Li Chao Wang. By virtue of the SFO, Mr. Li Chao Wang is deemed to be interested in all the Shares owned by Fu An. Mr. Li Chao Wang is also deemed to be interested in all the Shares beneficially owned by Grand Luck, namely 37,500,000 Shares, by virtue of the SFO, as he beneficially owns the entire issued share capital of Grand Luck. Accordingly, Mr. Li Chao Wang is deemed to be interested in a total of 97,500,000 Shares under the SFO.
7. By virtue of the SFO, Ms. Song Min, the spouse of Mr. Li Chao Wang, is deemed to be interested in all the Shares in which Mr. Li Chao Wang is interested.

Save as disclosed above, as at 31 March 2020, the Company had not been notified by any person (other than Directors or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO.

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 three months ended 31 March 2020.

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 three months ended 31 March 2020.

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 three months ended 31 March 2020, the Company has complied with the applicable 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 HK\$	Exercise period	Number of Options				
				balance				balance
				as at 1 January 2020	granted during the Period	exercised during the Period	cancelled/ lapsed during the Period	as at 31 March 2020
Directors								
Mr. Hon	5 Apr 2017	0.62	Subject to the vesting schedule below	4,900,000	—	—	—	4,900,000
Mr. Huang Zhanxiong	5 Apr 2017	0.62	Subject to the vesting schedule below	4,900,000	—	—	—	4,900,000
Ms. Zhen Yaman	5 Apr 2017	0.62	Subject to the vesting schedule below	2,450,000	—	—	—	2,450,000
Mr. Hon Ka Fung	5 Apr 2017	0.62	Subject to the vesting schedule below	2,450,000	—	—	—	2,450,000
Mr. Wu Sai Him	5 Apr 2017	0.62	Subject to the vesting schedule below	2,450,000	—	—	—	2,450,000
Mr. Chiu Chi Wing	5 Apr 2017	0.62	Subject to the vesting schedule below	2,450,000	—	—	—	2,450,000
Prof. Wang Dawu	5 Apr 2017	0.62	Subject to the vesting schedule below	2,450,000	—	—	—	2,450,000
				22,050,000	—	—	—	22,050,000
Consultant								
Mr. Hui Chin Tong Godfrey (Note 2)	5 Apr 2017	0.62	Subject to the vesting schedule below	7,840,000	—	—	—	7,840,000
Employees in aggregate								
	5 Apr 2017	0.62	Subject to the vesting schedule below	17,150,000	—	—	—	17,150,000
Total				47,040,000	—	—	—	47,040,000

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

Exercise Period	Number of underlying Shares subject to the Options:
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

Note:

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.
2. Mr. Hui Chin Tong Godfrey resigned as a non-executive Director on 12 April 2019. Notwithstanding that, the Options granted to him under the Share Option Scheme remains effective as he was appointed as a consultant of the Company with effect from 12 April 2019.

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 three months ended 31 March 2020.

AUDIT COMMITTEE

The audit committee has reviewed this report and the Group's unaudited consolidated financial results for the three months ended 31 March 2020, 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 report, 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(s)”	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
“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 the Target Land
“Director(s)”	the director(s) of the Company
“F&B”	food and beverages
“Fu An”	Fu An International Investments Limited (富安國際投資有限公司), a company incorporated in Hong Kong, which is beneficially owned as to 74.21% by Mr. Li Chao Wang, 15.79% by Ms. Yu Yi Fang and 10.00% by Mr. Dong Yi Ping, all of whom are independent third parties
“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
“GEM”	the 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
“GFA”	gross floor area
“Grand Luck”	Grand Luck Ventures Limited (泰瑞創投有限公司), a company incorporated in the British Virgin Islands, which is beneficially and wholly-owned by Mr. Li Chao Wang, an independent third party
“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 in the PRC and an indirect wholly-owned subsidiary of the Company
“Guanshanyue Apartments”	Guanshanyue Apartments* (觀山悅公館), a tourism property project under development in accordance with the Cooperation Agreement
“Gudou Yishui Mingting Apartments”	Gudou Yishui Mingting Apartments* (古兜依水茗亭), a tourism property project under development in accordance with the 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
“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
“Heart of Spring Apartments”	Heart of Spring Apartments* (泉心養生公寓), a completed tourism property project in the Gudou Hot Spring Resort

“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
“Period”	The three months ended 31 March 2020
“PRC”	the People’s Republic of China, save that, for the purpose of this report and unless the context otherwise requires, references in this report do not include Hong Kong, Macau and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company

“Share Option Scheme”	share option scheme conditionally approved and adopted by the Company on 18 November 2016
“Target Land”	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 room nights provided to guests and property owners on a complimentary basis
“Wealth Promise”	Wealth Promise Holdings Limited (富諾控股有限公司), a company incorporated in the British Virgin Islands and is wholly-owned by Fu An
“Yuequan Huju Hotel”	Yuequan Huju Hotel* (月泉湖居酒店), a new themed hotel complex which commenced operation in July 2019
“%”	per cent

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

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

Hong Kong, 12 May 2020

As at the date of this report, 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.