



古兜控股有限公司
Gudou Holdings Limited
(Incorporated in the Cayman Islands with limited liability)
Stock Code: 8308

溫泉 | 文旅 | 健康 | 養生

2021
FIRST QUARTERLY REPORT

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED

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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.

Financial Highlights

Selected Financial Information

	For the three months ended 31 March		Increase/ (Decrease)
	2021 <i>RMB'000</i> (Unaudited)	2020 <i>RMB'000</i> (Unaudited)	
Revenue			
— Hot spring resort and hotel operations and consultancy and/or management services	18,006	9,584	87.9%
— Tourism property development	2,049	446	359.4%
Gross profit/(loss)	2,313	(6,308)	-136.7%
Loss from operations	(5,242)	(16,702)	-68.6%
Loss before income tax	(9,576)	(21,589)	-55.6%
Loss for the period and loss attributable to owners of the Company	(9,656)	(21,815)	-55.7%
Losses per share — basic and diluted (in RMB cents)	(0.99)	(2.23)	-55.7%


Non-HKFRS measures	For the three months ended 31 March		Increase/ (Decrease)
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)	
Earning before interest, tax, depreciation and amortisation (EBITDA)	3,172	(8,003)	-139.6%
Earning before interest, tax, depreciation, amortisation and fair value adjustments (EBITDAF)	1,192	(8,903)	-113.4%
Adjusted EBITDAF	1,374	(8,448)	-116.3%
Adjusted net loss	(9,474)	(21,360)	-55.6%

NON-HKFRS MEASURES

To supplement the presentation and evaluation of our historical financial information, certain non-HKFRS accounting measures including (i) EBITDA, (ii) EBITDAF, (iii) Adjusted EBITDAF, and (iv) Adjusted net profit/(loss) are used.

Earnings before interest income, interest expense, income tax expense and depreciation and amortisation, or EBITDA is used to assess our results of operations before the impact of investing and financing transactions and income taxes. Given the investments that we have made in leasehold improvements in Gudou Hot Spring Resort, depreciation and amortisation expenses take a high portion of our cost structure. We believe that EBITDA is widely used by other companies in the hospitality industry and may be used by investors as a measure of our financial performance.

Earnings before interest income, interest expense, income tax expense, depreciation and amortisation and fair value adjustments, or EBITDAF represents EBITDA before fair value adjustments (i.e. fair value gain or loss of investment properties). Even though the gains and losses are relevant to our tourism property business operations, they have caused and will continue to cause volatility in our periodic earnings and of low predictive value.



Adjusted EBITDAF represents EBITDAF before certain non-cash items and one-time events such as share-based payments and professional fees arising from the application of the proposed transfer of listing from GEM to the Main Board of the Stock Exchange, which we do not believe are reflective of our core operating performance during the years presented.

Adjusted net profit/(loss) represents profit/(loss) for the year before certain non-cash items and events such as share-based payments and professional fees arising from the application of the proposed transfer of listing from GEM to the Main Board of the Stock Exchange, which we do not believe are reflective of our core operating performance during the years presented.

The specific definition and calculation of the non-HKFRS accounting measures can differ from other companies, so such measures presented herein may not be comparable to similarly named measures presented by other companies. From time to time in the future, there may be other items that the Company may exclude in reviewing its financial results.

The following table sets forth a reconciliation of our loss from operations to EBITDA, EBITDAF and Adjusted EBITDAF for the periods indicated:

	For the three months ended 31 March	
	2021	2020
	RMB'000	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Loss from operations	(5,242)	(16,702)
Adjusted for:		
Depreciation of Property, Plant and Equipment	7,085	6,500
Depreciation of Right of use Assets	1,329	2,199
EBITDA	3,172	(8,003)
Less: Fair value gains on investment properties	(1,980)	(900)
EBITDAF	1,192	(8,903)
Add: Share-based payment	182	455
Adjusted EBITDAF	1,374	(8,448)

The following table sets forth a reconciliation of our net loss to Adjusted net loss for the periods indicated:

	For the three months ended 31 March	
	2021	2020
	RMB'000	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Net loss	(9,656)	(21,815)
Add: Share-based payment	182	455
Adjusted net loss	(9,474)	(21,360)

	2021 (Unaudited)	2020 (Unaudited)
Operation statistics		
Average Occupancy Rate		
Luxury Resort Hotels	59.1%	16.8%
Middle-end Resort Hotels	19.4%	10.5%
Urban Hotels	65.3%	—
Overall	26.3%	10.9%
Average Room Rate (RMB/room)		
Luxury Resort Hotels	845	808
Middle-end Resort Hotels	232	209
Urban Hotels	120	—
Overall	337	271
RevPAR (RMB/room)		
Luxury Resort Hotels	500	136
Middle-end Resort Hotels	45	22
Urban Hotels	79	—
Overall	89	30

Notes:

1. Luxury Resort Hotels include Royal SPA Hotel and Yuequan Huju Hotel.
2. Middle-end Resort Hotels include Gudou Lakeview Tulip Inn Hotel, Shanghai Hot Spring Hotel, Gudou Lohas Hotel and Gudou Joy Hot Spring Hotel.
3. Urban Hotels includes Gudou Spring Superior Hotel and Guangzhou Gudou Quanfeng Residence, which commenced business in the first quarter of 2021.

First Quarterly Results

The Board is pleased to announce the unaudited consolidated financial statements of the Group for the three months ended 31 March 2021 together with the comparative unaudited figures for the corresponding period in 2020, as follows:

Unaudited Consolidated Statement of Comprehensive Income

For the three months ended 31 March 2021

		Three months ended 31 March	
	Note	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Revenue	3	20,055	10,030
Cost of sales		<u>(17,742)</u>	<u>(16,338)</u>
Gross profit/(loss)		2,313	(6,308)
Other income		45	34
Fair value gains on investment properties		1,980	900
Share of loss of an associate		(392)	(214)
Selling expenses		(1,474)	(2,771)
Administrative expenses		<u>(7,714)</u>	<u>(8,343)</u>
Loss from operations		(5,242)	(16,702)
Finance costs		<u>(4,334)</u>	<u>(4,887)</u>
Loss before tax		(9,576)	(21,589)
Income tax expenses	4	<u>(80)</u>	<u>(226)</u>
Loss for the period		(9,656)	(21,815)

		Three months ended	
		31 March	
Note	2021	2020	
	RMB'000	RMB'000	
	(Unaudited)	(Unaudited)	
Other comprehensive loss for the period, net of tax			
<i>Items that may be reclassified to profit or loss:</i>			
Currency translation differences	(152)	(196)	
<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	<u>—</u>	<u>121</u>	
Total comprehensive loss for the period	<u>(9,808)</u>	<u>(21,890)</u>	
Loss per share			
	2021	2020	
	RMB cents	RMB cents	
	(Unaudited)	(Unaudited)	
Basic and diluted	<u>(0.99)</u>	<u>(2.23)</u>	6

Unaudited Consolidated Statement of Changes In Equity

For the three months ended 31 March 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
Comprehensive loss									
Loss for the period	—	—	—	—	—	—	—	(9,656)	(9,656)
Other comprehensive loss									
Currency translation differences	—	—	—	(152)	—	—	—	—	(152)
Total comprehensive loss for the period	—	—	—	(152)	—	—	—	(9,656)	(9,808)
Transactions with owners									
Share-based payment	—	—	—	—	182	—	—	—	182
As at 31 March 2021 (Unaudited)	<u>8,669</u>	<u>99,249</u>	<u>(2,630)</u>	<u>(4,149)</u>	<u>11,491</u>	<u>(277)</u>	<u>69,528</u>	<u>260,874</u>	<u>442,755</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 2020 (Audited)	8,669	99,249	(2,728)	(4,950)	10,287	(277)	69,528	268,269	448,047
Comprehensive loss									
Loss for the period	—	—	—	—	—	—	—	(21,815)	(21,815)
Other comprehensive loss									
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									
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>

Notes to the Unaudited Consolidated Financial Statements

For the three months ended 31 March 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 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 the GEM of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 9 December 2016.

The Company is an investment holding company. The principal activities of its subsidiaries are (i) the operation and management of Gudou Hot Spring Resort and provision of consultancy and/or management services; and (ii) 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 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 of the Group 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 of the Group 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	
	2021	2020
	RMB'000	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Resort related operation		
Admission income		
— Hot Spring Valley	3,372	1,056
Catering income	3,420	2,828
Conference fee income	193	461
Massage service income	274	150
Rental income	641	596
Other service income	1,359	641
Hotel operation		
Room Revenue	8,747	3,852
	18,006	9,584
Tourism properties		
Property sales	2,049	—
Property renovation income	—	446
	20,055	10,030
Timing of revenue recognition		
At a point in time	9,308	4,495
Over time	10,747	5,535
	20,055	10,030

4 Income tax expenses

For the three months ended 31 March 2021, 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 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 31 March	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax		
PRC enterprise income tax	1	1
Land appreciation tax	117	—
	<u>118</u>	<u>1</u>
Deferred tax	(38)	225
	<u>80</u>	<u>226</u>

5 Dividend

No dividend was paid or declared by the Company during the three months ended 31 March 2021, nor has any dividend been proposed since the end of the Period (three months ended 31 March 2020: 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	
	2021	2020
	(Unaudited)	(Unaudited)
Loss attributable to owners of the Company (<i>RMB'000</i>)	(9,656)	(21,815)
Weighted average number of ordinary shares in issue (<i>'000</i>)	980,000	980,000
Basic loss per share (<i>RMB cents</i>)	(0.99)	(2.23)

Note:

For the three months ended 31 March 2021 and 2020, the diluted losses per share were equal to the basic losses per share because the Company was in loss position.

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; and (ii) the development and sale of tourism properties in Guangdong Province.

For the three months ended 31 March 2021, revenue of the Group was approximately RMB20.1 million, representing an increase of approximately 100.0% as compared to the corresponding period in 2020 (three months ended 31 March 2020: approximately RMB10.0 million). Loss attributable to owners of the Company for the three months ended 31 March 2021 amounted to approximately RMB9.7 million (Loss attributable to owners of the Company for the three months ended 31 March 2020: approximately RMB21.8 million).

Hot Spring Resort and Hotel Operations

The Group's hot spring resort and hotel operations business was rebounded during the Period since its operation resumed in full in October 2020. The Group's turnover derived from hot spring resort and hotel operations increased by approximately 87.9% to approximately RMB18.0 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 RMB3.4 million, representing an increase of approximately 219.3% compared to that of 2020. The room revenue generated from the Group's eight themed hotel complexes increased by approximately 127.1% to approximately RMB8.7 million for the three months ended 31 March 2021 compared to that in 2020. The Occupancy Rate of the Group's eight themed hotel complexes increased from approximately 10.9% for the three months ended 31 March 2020 to approximately 26.3% for the three months ended 31 March 2021. The average room rate of the Group's themed hotel complexes increased from approximately RMB271.4 for the three months ended 31 March 2020 to approximately, RMB336.8 for the three months ended 31 March 2021, primarily attributable to the luxury resort hotels, which have a higher room rate, contributed more sales in the Room Revenue. The Group also recorded increases in revenue generated from catering by approximately 20.9% to approximately RMB3.4 million for the Period.

Tourism Property Development

For the three months ended 31 March 2021, the Group sold and delivered 14 units of Gudou Yishui Mingting Apartments, representing 6.9% of the total saleable GFA of Gudou Yishui Mingting Apartments which contributed revenue of approximately RMB2.0 million, whereas the Group did not conduct any sale of tourism property for the three months ended 31 March 2020. The Directors expect the sale of the jointly developing property projects, Gudou Yishui Mingting Apartments and Guanshanyue Apartments, to continue in 2021 and properties to be delivered to its customers from 2021 onwards.

Financial review

Revenue

The Group recorded turnover of approximately RMB20.1 million for the Period (three months ended 31 March 2020: approximately RMB10.0 million), representing an increase of approximately 100.0% when compared with the corresponding period in the previous year. The increase in turnover was primarily attributable to the increase 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 increased by approximately 87.9% to approximately RMB18.0 million, primarily attributable to the full resumption of the operation of Gudou Hot Spring Resort and the demand in local cultural tourism gradually recovered and pandemic disruptions to the tourism industry have been alleviated.

The Group recorded turnover of approximately RMB2.0 million for the Period from tourism property development (three months ended 31 March 2020: RMB0.4 million) which was attributable to sales and delivery of the jointly developing property projects, Gudou Yishui Mingting Apartments.

Cost of Sales

The Group's cost of sales for the Period was approximately RMB17.7 million, representing an increase of approximately 8.6% from approximately RMB16.3 million for the three months ended 31 March 2020. Such increase was primarily due to the increase in staff cost and depreciation during the Period.

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

The Group's gross profit amounted to approximately RMB2.3 million for the Period, representing an increase of approximately RMB8.6 million from approximately a gross loss of RMB6.3 million for the same period of last year, which was mainly due to the full resumption of the operation of Gudou Hot Spring Resort in October 2020. The Group's gross profit margin for the Period was approximately 11.5% as compared to a gross loss margin of approximately 62.9% for the same period of last year. Such increase in the Group's gross profit margin for the Period was primarily due to the increase in revenue generated from the Group's hot spring resort and hotel operations business and the higher gross profit margin from the sales of Gudou Yishui Mingting Apartments during the Period.

Loss Before Tax

The Group's loss before tax amounted to approximately RMB9.6 million for the Period when compared to a loss before tax of approximately RMB21.6 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 64.6%, or approximately RMB0.1 million to approximately RMB0.1 million as compared to approximately RMB0.2 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 during the Period.

Net Loss

The Group's loss for the Period decreased by approximately RMB12.2 million or approximately 55.7% to approximately RMB9.7 million as compared to a loss of approximately RMB21.8 million for the same period of last year, which was in line with the Group's increased turnover during the Period.

BUSINESS PROSPECT

Prospect

Gudou is founded on our belief in the importance of health regimen to human beings and well-being of body and mind and the vision to improve quality of life of the general public. We believe that people are becoming more health-conscious since the outbreak of COVID-19 and demand for health and wellness business will continue to increase. Riding on the increasing demand, we are delighted to see that our business had greatly improved as evidenced by the surge in revenue to approximately RMB20.1 million for the three months ended 31 March 2021 as compared to approximately RMB10.0 million for the corresponding period in 2020, representing a growth of approximately 100.0%. Due to the improvement of sales performance and the imposition of stringent cost control measures, our net loss was reduced considerably for the Period.

It is worth-noting that the increases in our admission income and hotel revenue for the Period, which is a good sign of improvement in domestic tourism sentiment. Our admission income had surged to approximately RMB3.4 million for the three months ended 31 March 2021 as compared to approximately RMB1.1 million for the corresponding period in 2020, representing an increase of approximately 219.3% as a result of an increase in number of tourists. Our room revenue was grown to approximately RMB8.7 million as compared to approximately RMB3.9 million for the corresponding period in 2020, representing an increase of 127.1%. The increase was due to increasing demand for our luxury resort hotels. In addition, two urban hotels, namely Guangzhou Gudou Quanfeng Residence* (廣州古兜泉峰公館) and Gudou Spring Superior Hotel *(古兜泉峰江門記憶酒店) in Guangzhou and Jiangmen, which commenced business in the first quarter of 2021, have started to contribute revenue to the Group.

Following the impact of COVID-19, we believe 2021 will be the year that tourists come back and search for tourism spots allowing them to maintain their wellness while on the go. The Group will continue to place health and wellness at our core. We will leverage our brand asset and continue to develop attractive product and service offering such as provision of indulgent catering options and scaling up our beauty and spa services by placing emphasis on traditional Chinese healing philosophies with an aim to elevate the level of secondary consumption within our Gudou Hot Spring Resort. Management will also seek opportunity to grow our hotel footprint in China to further diversify our income.

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

As at 31 March 2021, 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 2021 (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 Zhanxiong	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 2021.
- 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 2021 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 2021, 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 2021 (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 2021.
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 51.75% by Ace Rise Profits Limited and 55.24% 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 2021, 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 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 three months ended 31 March 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 three months ended 31 March 2021, 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 the 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 2021	granted during the Period	exercised during the Period	cancelled/ lapsed during the Period	as at 31 March 2021
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 2021.

AUDIT COMMITTEE

The audit committee has reviewed this report and the Group's unaudited consolidated financial results for the three months ended 31 March 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 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
“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
“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 2021
“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 (Chapter 571 of the Laws of Hong Kong)
“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, 10 May 2021

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.