GUDOU HOLDINGS LIMITED
古兜控股有限公司

(incorporated in the Cayman Islands with limited liability)

(stock code: 8308)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

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.

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.

ANNUAL RESULTS

The Board is pleased to announce the consolidated results of the Group for the year ended 31 December 2020 together with the comparative figures for the preceding financial year as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2020

	Note	**2020** *RMB'000*	2019 *RMB'000*
Revenue	*5*	**127,249**	238,221
Cost of sales		**(69,389)**	(132,376)
Gross profit		**57,860**	105,845
Other income		**448**	269
Fair value gains on investment properties		**20,960**	30,480
Selling expenses		**(15,128)**	(19,105)
Administrative expenses		**(36,229)**	(49,317)
Net impairment loss on financial assets		**(215)**	(1,774)
Share of loss of an associate		**(1,561)**	(1,142)
Profit from operations		**26,135**	65,256
Finance costs		**(16,803)**	(17,463)
Profit before tax		**9,332**	47,793
Income tax expenses	*6*	**(6,471)**	(23,179)
Profit for the year and profit attributable to owners of the Company		**2,861**	24,614
Other comprehensive income/(loss) for the year, net of tax			
Item that may be reclassified to profit or loss:			
Currency translation differences		**953**	(219)
Item that will not be reclassified to profit or loss:			
Fair value loss on financial assets at fair value through other comprehensive income		**(502)**	(604)
Total comprehensive income for the year		**3,312**	23,791

Earnings per share

		2020 *RMB cents*	2019 *RMB cents*
Basic earnings per share	*8*	**0.29**	2.51
Diluted earnings per share	*8*	**0.29**	2.47

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Note	2020 RMB'000	2019 RMB'000
Non-current assets			
Property, plant and equipment		**267,205**	292,888
Right-of-use assets		**16,537**	23,280
Investment properties		**605,430**	584,470
Financial assets at fair value through other comprehensive income		**811**	1,273
Investment in an associate		**62,467**	64,028
Deferred tax assets		**6,643**	2,353
		959,093	968,292
Current assets			
Properties held for sale		**105,605**	109,772
Inventories		**3,032**	3,688
Accounts receivable	*9*	**9,328**	16,255
Prepayments, deposits and other receivables		**18,357**	14,347
Amount due from a joint operator		**17,258**	13,221
Restricted bank balances		**31,045**	29,307
Bank and cash balances		**25,518**	60,687
		210,143	247,277
TOTAL ASSETS		**1,169,236**	1,215,569

	Note	**2020**	2019
		RMB'000	*RMB'000*
Current liabilities			
Accounts payable	*10*	**54,007**	57,196
Accruals and other payables		**20,031**	34,211
Amount due to an associate		**12,000**	15,000
Borrowings		**115,123**	117,517
Lease liabilities		**3,628**	7,792
Current tax liabilities		**66,187**	59,646
Contract liabilities		**43,409**	36,397
		314,385	327,759
Non-current liabilities			
Borrowings		**172,544**	211,420
Lease liabilities		**7,087**	9,120
Amount due to an associate		**30,020**	30,020
Deferred tax liabilities		**178,169**	175,653
Deferred income		**14,650**	13,550
		402,470	439,763
TOTAL LIABILITIES		**716,855**	767,522
Capital and reserves			
Share capital	*11*	**8,669**	8,669
Reserves		**443,712**	439,378
TOTAL EQUITY		**452,381**	448,047
TOTAL LIABILITIES AND EQUITY		**1,169,236**	1,215,569

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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, 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 the operation and management of Gudou Hotspring 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

2.1 Compliance with HKFRS and HKCO

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") and requirements of the Hong Kong Companies Ordinance ("HKCO") Cap.622.

2.2 Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and financial assets at fair value through other comprehensive income.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

3. Going concern

As at 31 December 2020, the Group's current liabilities exceeded its current assets by RMB104,242,000 (2019: RMB80,482,000) which is mainly attributable to current bank borrowings of RMB115,123,000 (2019: RMB117,517,000). The Group's current liabilities also consisted of contract liabilities of RMB43,409,000 (2019: RMB36,397,000) arising from deposits received from customers which will be recognised as revenue upon fulfilment of the obligation in delivering the properties and/or delivering services to the customers.

3. **Going concern** *(Continued)*

Following the outbreak of Coronavirus Disease 2019 (the "COVID-19 pandemic") in early 2020, a series of precautionary and control measures have been implemented across mainland China which inevitably has negatively impacted the Group's hotel and resort operation. Since the second half of 2020, the COVID-19 pandemic in mainland China has been under control and the Group's operation has continued to recover from the short-term impact. Despite the hotel and resort operation has generally been restored to normal, the sentiment for travel and the occupancy of the Group's hotel and resort is still not fully recovered. Management expects that the China's government would launch additional proactive economic and monetary policies to stimulate its economic cycle and is confident that the Group's operation will recover in 2021.

In view of such circumstances, the directors have given careful consideration of the future liquidity and operating performance of the Group and its available source of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. The directors of the Company have reviewed a cash flow projection of the Group prepared by management covering a period of not less than twelve months from 31 December 2020 taking into account the following plans and measures into consideration:

(i) Despite the gradual recovery of the Group's operation following the COVID-19 pandemic, the Group will continue with its cost-control measures while closely monitoring its operation and taking appropriate actions when necessary. The Group is confident that the hotel and resort operation will remain normal during the year and generate net cash inflow from its operation;

(ii) The Group will monitor the progress of the property development project jointly operated with GD Aoyuan and ensure that it will be completed and delivered during the year and receive proceeds from sale of properties in the expected timeframe; and

(iii) The Group had available undrawn bank facilities of RMB145,500,000 as at 31 December 2020. The directors will ensure that the bank borrowings will be repaid in accordance with the scheduled dates as set out in the relevant loan agreements. Given the good track records and relationships the Group has with the banks, the directors are of the opinion that the banking facilities with the banks will be renewed when their current terms expire and the Group is able to draw down from the bank facilities as and when needed. Subsequent to the year end, the Group has renewed a bank borrowing of RMB15,000,000.

Notwithstanding the above, whether management is able to achieve its plans and measures as described above, which incorporate assumptions about future events and conditions are subject to inherent uncertainties. In particular, whether the Group will be able to continue as a going concern would depend upon the cash inflow generated from its hotel and resort operation, the timely completion of sales of the properties held for sale and continuous availability of the existing bank facilities. The Directors have, after due consideration of the basis of management's plans and measures as well as the reasonable possible downside changes to the cash flow projections, are confident that the Group will have sufficient working capital to fulfil its financial obligations as and when they fall due in the coming twelve months from 31 December 2020. Accordingly, the directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

4. Changes in accounting policy and disclosures

4.1 (a) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2020:

Standards	Subject of amendment
Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Hedge Accounting
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting

The Group has adopted these new standards, amendments to standards and interpretations and the adoption of these new standards, amendments to standards and interpretations do not have significant impacts on the Group's consolidated financial statements.

4.1 (b) New standards and interpretations not yet adopted

The following new standards, amendments to standards and annual improvement have been issued but are not effective for the financial year beginning 1 January 2020 and have not been early adopted by the Group:

		Effective for accounting periods beginning on or after
Amendments to HKFRS 16	Covid-19-related Rent Concessions	1 June 2020
HKFRS 17	Insurance Contracts	1 January 2021
Amendments to HKFRS 3, HKAS 16 and HKAS 37	Property, Plant and Equipment: Proceeds before intended use	1 January 2022
Annual Improvements Project	Annual Improvements to HKFRS Standards 2018-2020	1 January 2022
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

4. **Changes in accounting policy and disclosures** *(Continued)*

*4.1 (b) **New standards and interpretations not yet adopted** (Continued)*

The directors of the Group are in the process of assessing the financial impact of the adoption of the above new standards, amendments to standards and annual improvement. The Group will adopt the new standards, amendments to standards and annual improvement when they become effective.

5. **Revenue**

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

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
Resort related operation		
Admission income		
— Hot Spring Valley	**25,982**	34,672
— Waterpark	**1,877**	3,585
	27,859	38,257
Catering income	**20,212**	24,916
Conference fee income	**909**	1,936
Massage service income	**391**	2,571
Rental income	**3,007**	2,407
Consultancy service income	**15,000**	18,973
Other service income	**2,307**	7,502
Hotel operation		
Room Revenue	**40,569**	64,712
Tourism properties		
Property sales	**12,446**	48,697
Property renovation income	**4,549**	28,250
	127,249	238,221
Timing of revenue recognition		
At a point in time	**61,817**	116,377
Over time	**65,432**	121,844
	127,249	238,221

6. Income tax expenses

For the year ended 31 December 2020, no provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong (2019: Nil). The Group's subsidiaries in the PRC are subject to the PRC enterprise income tax at a rate of 25% (2019: 25%) on estimated assessable profits.

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
Current tax		
PRC enterprise income tax	**7,436**	15,505
Land appreciation tax	**809**	2,618
	8,245	18,123
Deferred tax	**(1,774)**	5,056
	6,471	23,179

The revenue from property as described in Note 5 include sales of apartments. Under the applicable tax regulations, LAT is charged at progressive rate from 30% to 60% (2019: 30% to 60%) on the appreciation of land value which is calculated based on the proceeds of sales of properties less deductible expenditure including lease charges of land use rights, borrowing costs and all property development expenditure. The basis of calculating the LAT on the sale of apartments has not yet been determined by the local tax bureau. Management adopted the progressive rate from 30% to 60% (2019: 30% to 60%) according to their best estimation.

7. Dividend

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

8. Earnings per share

Basic

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

	Year ended 31 December	
	2020	2019
Profit attributable to owners of the Company *(RMB'000)*	**2,861**	24,614
Weighted average number of ordinary shares in issue *('000)*	**980,000**	980,000
Basic earnings per share *(RMB cents)*	**0.29**	2.51

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The dilutive potential ordinary shares of the Company are share options. The calculation for share options is determined by the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated as below is compared with the number of shares that would have been issued assuming the exercise of the share options.

	Year ended 31 December	
	2020	2019
Profit attributable to owners of the Company *(RMB'000)*	**2,861**	24,614
Weighted average number of ordinary shares in issue *('000)*	**980,000**	980,000
Adjustments for:		
Share options (number of shares) *('000)*	**9,245**	17,891
Weighted average number of ordinary shares for diluted earnings per share *('000)*	**989,245**	997,891
Diluted earnings per share *(RMB cents)*	**0.29**	2.47

9. Accounts receivable

	As at 31 December	
	2020	2019
	RMB'000	*RMB'000*
Accounts receivable	**15,064**	21,776
Less: allowance for impairment	**(5,736)**	(5,521)
Accounts receivable, net	**9,328**	16,255

The Group allows an average credit period ranging from 30 to 90 days (2019: 30 to 90 days) to travel agencies and corporate customers in hotels and resort operation segment. For new travel agencies and corporate customers, payment in advance is normally required. Purchasers of properties units were granted with repayment periods primarily from 15 days to 180 days (2019: 15 days to 180 days) according to the agreements signed. Credit evaluations are performed on all purchasers requiring credit on the transactions. The Group generally would not release the property ownership certificates to the purchasers before the purchasers finally settled the purchase consideration. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors.

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

	As at 31 December					
	2020			2019		
	Travel agencies	**Property purchasers**	**Total**	Travel agencies	Property purchasers	Total
	RMB'000	***RMB'000***	***RMB'000***	*RMB'000*	*RMB'000*	*RMB'000*
Up to 30 days	**5,107**	**—**	**5,107**	9,347	—	9,347
31 to 60 days	**621**	**—**	**621**	1,365	—	1,365
61 to 90 days	**785**	**—**	**785**	1,515	—	1,515
Over 90 days	**6,438**	**2,113**	**8,551**	3,526	6,023	9,549
	12,951	**2,113**	**15,064**	15,753	6,023	21,776

9. Accounts receivable *(Continued)*

Movements on the provision for impairment of accounts receivable are as follows:

	As at 31 December	
	2020	2019
	RMB'000	*RMB'000*
At the beginning of the year	**(5,521)**	(3,747)
Net impairment losses on financial assets	**(215)**	(1,774)
At the end of the year	**(5,736)**	(5,521)

The above impairment losses have been separately disclosed as "net impairment losses on financial assets" in the consolidated statement of comprehensive income.

All accounts receivable are denominated in RMB and approximate to their fair values.

As at 31 December 2020, accounts receivable of RMB11,291,000 (2019: RMB12,861,000) were pledged to secure a bank loan.

10. Accounts payable

The aging analysis of the Group's accounts payable, based on invoice date, is as follows:

	As at 31 December	
	2020	2019
	RMB'000	*RMB'000*
Up to 90 days	**6,631**	10,318
91 to 180 days	**6,302**	7,318
181 to 365 days	**10,129**	6,806
Over 1 year	**30,945**	32,754
	54,007	57,196

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

11. Share capital

	Number of shares *(thousands)*	**Share capital** *RMB'000*
As at 1 January 2019 and 2020	980,000	8,669
As at 31 December 2019 and 2020	980,000	8,669

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2020 as set out in this announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to this set out in the Group's draft consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by PricewaterhouseCoopers on this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Overview

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.

During the Period, the Group recorded a turnover of approximately RMB127.2 million, representing a decrease of approximately 46.6% when compared to that of the previous year. Profit attributable to owners of the Company for the Period was approximately RMB2.9 million (profit attributable to owners of the Company for the corresponding period in 2019: RMB24.6 million), representing a decrease of approximately 88.4% when compared to that of the previous year mainly due to the following factors:

i. decrease in revenue generated from the Group's hot spring resort and hotel operations business due to the operation of hotels and facilities at Gudou Hot Spring Resort was temporarily suspended in the first quarter of 2020, was partially resumed from March 2020, and was only resumed in full in October 2020, in response to the precautionary polices and measures implemented by the Guangdong provincial government to deter the spread of novel coronavirus pneumonia (COVID-19) epidemic; and

ii. decrease in revenue generated from the Group's tourism property development business due to decrease in gross floor area sold and delivered as most units of Heart of Spring Apartments were sold and delivered in 2019.

Hot Spring Resort and Hotel Operations

Revenue from hot spring resort and hotel operations was adversely impacted by the outbreak of COVID-19. In 2020, it recorded considerable decline by approximately 31.6% to RMB110.3 million. Such decrease, as per previously discussed, was mainly driven by the temporary suspension of operation of Gudou Hot Spring Resort between late January and early March 2020. Our resort has only resumed operation in full in October 2020.

Aggregately, the room revenue from our six themed hotel complexes decreased by approximately 37.3% to RMB40.6 million in the Period compared to that in 2019. This is mainly driven by the decrease in revenue from our middle-end resort hotels [(1)] by approximately 52.7% to RMB22.7 million. Nevertheless, it is encouraging to see the room revenue from our luxury resort hotels [(2)] recorded a mild growth by 6.2% to RMB17.9 million in such difficult times. Over the years, we saw our guests becoming more selective about the high-end tourism experience. The growth reflects that the launch of Yuequan Huju Hotel in 2019, together with the premium services offered by Royal SPA Hotel, appropriately responded to the increase demand of high-end cultural tourism.

Owing to an overall reduction in the number of visitors to our resort, admission income and catering income both decreased by 27.2% to RMB27.9 million and 18.9% to RMB20.2 million, respectively. Despite this, the management team made concerted effort to organise more day tours to attract same-day travellers. Therefore, we saw a lesser extent of decreases in both admission income and catering income when compared with that in room revenue. Conference fee income has dropped by 53% to RMB0.9 million because corporate customers refrained from organising conference to avoid the gathering of crowds. Consultancy services contributed approximately RMB15.0 million to the revenue of the Group in the Period, representing a decrease of approximately 20.9% as compared to that in the previous year.

Tourism Property Development

Revenue from the tourism property development business was approximately RMB17.0 million, representing a decrease of approximately 77.9% from approximately RMB76.9 million for the year ended 31 December 2019. Such decrease was mainly attributable to the absence of sales and delivery of Heart of Spring Apartment during the Period. Revenue from the tourism property development operations consists of the sales and delivery of Mountain Seaview Vacation Residence and Gudou Yishui Mingting Apartments totalling RMB12.5 million and the provision of renovation services in return of services fee of approximately RMB4.5 million.

Notes:

1. Middle-end Resort Hotels include Gudou Lakeview Tulip Inn Hotel, Shanhai Hot Spring Hotel, Gudou Lohas Hotel and Gudou Joy Hot Spring Hotel.
2. Luxury Resort Hotels include Royal SPA Hotel and Yuequan Huju Hotel.

During the Period, we sold and delivered 70 units (approximately 38.9% of the total saleable GFA) of Gudou Yishui Mingting Apartments and the remaining two units of Mountain Seaview Vacation Residence. We expect the sales and delivery of Gudou Yishui Mingting Apartments to continue in 2021. Steady progress is also made in the construction for the other two tourism properties, namely Guanshanyue Apartments and Yunshanjing Mansion, under the first cooperation agreement dated 16 July 2019 and entered into between Guangdong Gudou Travel Group Company Limited *（廣東古兜旅遊集團有限公司）and GD Aoyuan. They are expected to be delivered to property owners and to achieve pre-sales condition in 2021, respectively.

Prospect

The outbreak of COVID-19 since early 2020 posed a tremendous challenge to the global economy, the management had to close the Gudou Hot Spring Resort between late January and early March 2020 in order to prevent from the spread of the pandemic. Gudou Hot Spring Resort partially resumed its operation in March 2020 and fully resumed its business in October 2020. Despite that we have seen business at Gudou Hot Spring Resort gradually improved after its partial reopening from March 2020, the Group has recorded profit since the third quarter of 2020, the pandemic continued to depress demand for cultural tourism, thus dampening a complete recovery in the sector. As a result, revenue from our hot spring resort and hotel operations business decreased significantly from RMB161.3 million in 2019 to RMB110.3 million in 2020, with the Occupancy Rate declined from 36.5% in 2019 to 24.0% in 2020.

The management continued with its flexible approach to business in both revenue growing and cost saving to cope with the adverse changes of business environment in cultural tourism. For instance, the Group continued to organise different creative promotional events and activities at Gudou Hot Spring Resort to attract tourists with the aim of boosting income. In the fourth quarter of 2020, the resort successfully held several well-received events such as a musical concert by "Jiangmen Symphony Orchestra*（江門交響樂團）" and "Gudou Campfire Festival*（古兜焚火帳篷節）" in November 2020 and the 8th "Yamen Sweet White Radish Festival*（第八屆崖門甜水蘿蔔節）" in December 2020. In addition, the Group established Guangdong Gudou Quanfeng Cultural Tourism Development Co., Ltd.（廣東古兜泉峰文化旅遊發展有限公司）in December 2020 to further diversify its source of income. This newly formed urban hotel operation arm is committed to integrating the culture of Gudou Hot Spring Resort into hotels in urban areas. We are excited to see the commencement of operation of Gudou Spring Superior Hotel（古兜泉峰江門記憶酒店）in the downtown area of Jiangmen in January 2021. In addition, Gudou also made its debut in Guangzhou with the official opening of Guangzhou Gudou Quanfeng Residence*（廣州古兜泉峰公館）in February 2021. 2020 was also a fruitful year for the Group's consultancy and management services as it recorded management service income from Xinhui Longxiang Valley Regimen Hot Spring Resort*（新會龍翔谷養生溫礦泉）and continued to derive consultancy service income in times of pandemic. In respect of our tourism property development business, the Group started delivery of Gudou Yishui Mingting Apartments in December 2020, which is in line with the development plan.

To ride out the difficult times, the Group continued with its major cost-control measures to mitigate the pandemic's impact on its financial condition and operation. At the corporate level, it reduced the administrative and selling expenses significantly. The administrative expenses were reduced from RMB49.3 million in 2019 to RMB36.2 million in 2020, representing a 26.5% decrease. Meanwhile, the selling expenses were decreased from RMB19.1 million in 2019 to RMB15.1 million in 2020, representing a 20.8% reduction. The Group also restrained growth in significant capital expenditure and/or investments.

The Company remains optimistic about the prospect of the hospitality sectors despite the ongoing pandemic. We have already seen a ray of hope as various COVID-19 vaccines developed in China and around the world have shown promising results. We believe that the gradual implementation of the vaccination program in 2021 will eventually curb the novel coronavirus pneumonia pandemic. The Company has confidence in the resilience of the cultural tourism industry and Gudou Hot Spring Resort's unique appeal as a leisure travel destination. With its distinctive portfolio of innovative hospitality assets, Gudou is well positioned to attract a substantial portion of the inbound travellers.

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 31 December 2020. 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 31 December 2020
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 (ii) Provide management services to other hot spring resort owners	(i) The Group will continue to select its potential target cities based on a number of factors, including, among others, local favourable governmental policies, local tourism development, infrastructure, locations or available land sites, regional economy, regional level of disposal income, cost of transportation and cost of energy supply. As at the date of this announcement, the Group extended to operate two hotels in Guangzhou and Jiangmen, respectively.

Business Objectives	Actual Business Progress up to 31 December 2020
	(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. During the Period, the Group carried out consultancy services in relation to strategic planning in the early stage of project development to leisure hotels and resorts in Sichuan Province.
2. Plan to expand the tourism property development business of the Group	To prepare the Group for the expansion of the tourism property development business, the Directors 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 on a timely manner while maintaining an effective control over costs. During the Period, the Group sold and delivered 2 units of Mountain Seaview Vacation Residence and 70 units of Gudou Yishui Mingting Apartments. The Directors expect the major pre-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.

Business Objectives	Actual Business Progress up to 31 December 2020
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 the Group's tourism property development business. During the Period, the Group had also organised a number of promotional events to promote the Group's "Gudou" brand, such as: • Chinese new year celebrations in January 2020 • carnival at Planet Galaxy Beach in April 2020 • The 8th Xinhui Yamen Crab Festival in June 2020 • Hot Spring Wellness Exchange in June 2020 • Planet Galaxy Beach Party in July 2020 • The 2nd Xinhui Mandarin Orange Festival in September 2020 • mid-autumn festival in September 2020 • Gudou Campfire Festival in November 2020 • the 8th Yamen Sweet White Raddish Festival in December 2020 • New Year Eve celebration in December 2020

Relationship with Stakeholders

The Group recognises that employees, customers and suppliers are keys to its sustainable development. The Group is committed to establishing a close and caring relationship with its employees, providing quality services and selling quality properties to its customers and enhancing cooperation with its suppliers. The Group strives to provide a safe workplace to its employees. It also provides competitive remuneration and benefits, as well as training programs so that staff can keep abreast of the development in the market.

The Group believes that service and property quality is the key to maintaining a good customer relationship. The Group is committed to serving its customers to the best of its ability and continually elevating the level of service excellence. To achieve this goal, the Group's quality control team is responsible for overseeing the quality control of its hot spring resort and hotel operations. With respect to the Group's property development projects, the Group engages construction companies to undertake supervision and control in order to ensure quality conditions of the projects. The Group's technical team and property development team will also carry out onsite visit on a regular basis. The Group settles with its major customers in accordance with contract payment terms, combines judgment on recoverable amounts, and adopts provision for bad debts of receivables that are specifically classified by similar risk. The Group monitors and accesses the information of major customers on an on-going and timely basis, and boosts communication and relationship with major customers.

The Group is also dedicated to maintaining good relationship with suppliers as long-term business partners to ensure stability of the Group's business. In selecting suppliers, the Group has been applying a standard of high quality and high integrity, and has established relevant systems to ensure that the purchase process remains open, fair and just. Aiming to improve purchase quality, critical assessment and guidelines are utilised by the Group to measure the sustainability of the suppliers in terms of labor, health and safety and environmental influences. Relevant departments of the Group conduct performance assessments to the suppliers on a regular basis in order to manage the suppliers in a more efficient manner and reduce potential risks in suppliers, which boosts communication and relationship with the suppliers.

Principal risks 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 the Group's 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 development 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 the Group's hot spring resort involve 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, its property portfolio and future profitability could 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 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 qualification certificates and relevant PRC government approvals. This allows the Group to ensure that the Group 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 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.

Financial Review

Turnover

For the Period, the Group recorded turnover of approximately RMB127.2 million (2019: approximately RMB238.2 million), representing a decrease of approximately 46.6% when compared with that of the previous year. The decrease in turnover was primarily attributable to the decrease in revenue generated from the Group's hot spring resort and hotel operations and the Group's tourism property development. The turnover from the Group's hot spring resort and hotel operations decreased by approximately 31.6% from approximately RMB161.3 million in the previous year to approximately RMB110.3 million for the Period. Such decrease was mainly driven by a decrease in room revenue and admission income due to the temporary suspension of operation of Gudou Hot Spring Resort in the first quarter of 2020 in response to the precautionary policies and measures implemented by the Guangdong provincial government to deter the spread of COVID-19. The Group's revenue from its tourism property development business recorded a decline of approximately 77.9% from approximately RMB76.9 million for the year ended 31 December 2019 to approximately RMB17.0 million for the Period. The decrease was primarily attributable to the decrease in GFA delivered and sold as sales and delivery of Mountain Seaview Vacation Residence and Gudou Yishui Mingting Apartments only recorded in the second half year of 2020 and sales and delivery of Heart of Spring Apartments had not been conducted during the Period.

Cost of Sales

The Group's cost of sales for the Period was approximately RMB69.4 million, representing a decrease of approximately 47.6% from approximately RMB132.4 million for the year ended 31 December 2019. Such decrease was primarily due to the decrease in cost of sales of the Group's tourism property developments, which was mainly resulted from a decrease in the GFA sold and delivered during the Period. The cost of sales of the Group's hot spring resort and hotel operations decreased by approximately 26.0% to RMB62.5 million for the Period which was mainly attributable to the decrease in food and beverages costs, staff costs and energy expenses resulted from the temporary suspension of the operation of Gudou Hot Spring Resort between late January and early March 2020 and the Group's initiative in cost reduction since partial resumption of the operation of Gudou Hot Spring Resort.

Gross Profit and Gross Profit Margin

The Group's gross profit for the Period was approximately RMB57.9 million, representing a decrease by approximately 45.3% when compared with its gross profit of approximately RMB105.8 million for the year ended 31 December 2019. The Group's gross profit margin increased from approximately 44.4% for the year ended 31 December 2019 to approximately 45.5% for the Period, which reflected the increase in gross profit margin for tourism property development.

For the Period, the gross profit margin for hot spring resort and hotel operations was approximately 43.3% (2019: approximately 47.6%). The decrease is primarily due to a decrease in revenue from the hot spring resort and hotel operations and the extent of decrease in cost of sales being less than the decrease in revenue from the hot spring resort and hotel operations because certain operating costs were partially fixed in nature. The gross profit margin for tourism property development for the Period was approximately 59.4% (2019: approximately 37.8%). Such increase is mainly due to the higher profit margin contributed by Gudou Yishui Mingting Apartments for the Period.

Fair Value Gains on Investment Properties

The Group's investment properties are land and/or buildings held to earn rentals and/or for capital appreciation. The Group's investment properties were under medium-term leases in the PRC and were classified into two categories, land held for undetermined use and land held for development of investment properties. Fair value gains on investment properties of the Group for the Period was approximately RMB21.0 million in value, representing a decrease of approximately 31.2% as compared to the gains of RMB30.5 million of previous year.

Selling Expenses

The Group's selling expenses for the Period were approximately RMB15.1 million, representing a decrease of approximately 20.8% over the selling expenses of approximately RMB19.1 million for the previous year. The decrease is primarily attributable to the decrease in sales commission and expenses incurred by the Group in connection with the sales of tourism properties.

Administrative Expenses

The Group's administrative expenses for the Period were approximately RMB36.2 million, representing a decrease of approximately 26.6% over the administrative expenses of approximately RMB49.3 million for the year ended 31 December 2019. The decrease was mainly attributable to the decrease in staff costs during the Period.

Income Tax Expenses

The Group's income tax expenses for the Period were approximately RMB6.5 million, representing a decrease by approximately 72.1% from approximately RMB23.2 million for the year ended 31 December 2019, which is mainly due to a decreases in PRC enterprise income tax and a decrease in deferred tax expenses, which reflects the decrease in profit/(loss) before tax and fair value gains on investment properties of the Group during the Period.

Net Profit and Net Profit Margin

The Group's net profit for the Period was approximately RMB2.9 million, representing a decrease of 88.4% when compared to the net profit of the Group of approximately RMB24.6 million for the year ended 31 December 2019. Such decrease in net profit was primarily attributable to a decrease in revenue recognised for the Group's hot spring resort and hotel operations business caused by the adverse effect from COVID-19.

The Group's net profit margin (which is calculated by dividing its net profits for the relevant period by the turnover for the same period) also decreased from approximately 10.3% for 2019 to approximately 2.2% for the Period. Such decrease was mainly due to (i) a decrease in gross profit; (ii) a decrease in fair value gains on investment properties.

Liquidity and Financial Resources and Capital Structure

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

As at 31 December 2020, the Group had bank and cash balances of approximately RMB25.5 million which were denominated in RMB and Hong Kong dollars.

The Group's outstanding capital commitments as at 31 December 2020 amounted to approximately RMB6.7 million (2019: approximately RMB8.6 million). Such commitments primarily related to construction in progress of the Group. Such outstanding commitments are expected to be funded by internal funds and/or bank borrowings.

As at 31 December 2020, the Group had an outstanding bank loan of RMB287.7 million which were denominated in RMB and Hong Kong dollars, among which approximately RMB88.5 million were fixed rate borrowings. The annual loan repayment amounted to approximately RMB90.8 million, which was in line with the Group's repayment schedule. The proceeds from the borrowings were primarily used for capital expenditure, working capital and operating expenses of the Group. As at 31 December 2020, there were no outstanding shareholders' loans.

The Group's gearing ratio as at 31 December 2019 and 2020, which was calculated by dividing its total borrowings by its total equity as at those dates, was approximately 0.73 and 0.64, respectively. The Group's gearing ratio as at 31 December 2020 decreased because the decreased level in the total borrowings.

The Group remains committed to a high degree of financial control, a prudent risk management and the best utilisation of financial resources. In order to achieve better cost control and minimise its 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 31 December 2020, an amount of approximately RMB597.2 million (2019: approximately RMB585.4 million) was pledged to certain banks to secure bank facilities granted to the Group.

Significant Investments/Material Acquisitions and Disposals

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

Contingent Liabilities

As at 31 December 2020, the Group had the following contingent liabilities relating to guarantees in respect of mortgage facilities provided by banks to purchasers of the Group amounting to approximately RMB7.9 million (as at 31 December 2019: approximately RMB3.7 million).

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

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

Exposure to Fluctuations in Exchange Rates

The Group's revenue and costs are primarily denominated in RMB. Some costs may be denominated in Hong Kong 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 31 December 2020, the Group had a workforce of 481 full-time employees of whom approximately 98.1% were employed in the PRC and approximately 1.9% in Hong Kong. The Group's staff costs for the years ended 31 December 2019 and 2020 amounted to approximately RMB48.0 million and RMB30.1 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. All qualified employees of the Group in Hong Kong are required to participate in the Mandatory Provident Fund Scheme of Hong Kong under which the Group is 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 subsidiaries, 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 our service, all our new hotel staff are required to attend a three-day hospitality pre-job training. The Group also provides hospitality training to its hotel staff on a monthly basis. The Group provides its employees with work safety training to enhance their safety awareness.

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

Environmental Matters

The Company is subject to environmental laws and regulations in the PRC which govern, among others, air pollution, noise pollution and water and waste discharge. As required by the applicable laws and regulations in the PRC, property development project is required to submit an environmental impact assessment report to the relevant governmental authorities for approval before the commencement of construction work. Property developers are also required to obtain various approvals and permits at various stages of their property development projects.

The Company outsources its construction work to construction contractors, who are independent third parties. Pursuant to the respective agreements entered into between the construction contractors and the Group, the construction contractors and any subcontractors, are required to comply with the environmental impact assessment requirement and the applicable environmental laws and regulations in the PRC. During the Period, the Group paid approximately RMB104,000 (2019: RMB207,000) as the annual fee for compliance with the applicable environmental laws and regulations in the PRC.

During the Period and to the best of the Directors' knowledge, the Group did not receive any complaint from its customers or any other parties in respect of any environmental protection issues, and the Group has not experienced any material environmental incidents arising from its manufacturing activities. During the Period, no material administrative sanctions or penalties were imposed upon the Group for the violation of environmental laws or regulations which had an adverse impact on its operations.

DIVIDEND

The Board does not recommend payment of any final dividend in respect of the Period. During the Period, no interim dividend was paid.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the Period.

CORPORATE GOVERNANCE PRACTICES

During the Period, the Company has complied with the code provisions set out in the CG Code as may be applicable save for the deviations mentioned below.

1. 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 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 separately.

ANNUAL GENERAL MEETING

The AGM of the Company will be held in Hong Kong on Friday, 14 May 2021. Notice of the AGM will be issued and disseminated to Shareholders in due course.

EVENTS AFTER THE REPORTING PERIOD

The formal application to the Stock Exchange for the Proposed Transfer of Listing pursuant to Chapter 9A of and Appendix 28 to the Main Board Listing Rules and the relevant provisions of the GEM Listing Rules has automatically lapsed and no re-submission of application has been made at this stage. Details of which have been disclosed in the announcements of the Company dated 31 July 2020 and 4 February 2021.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference that comply with the required of the CG Code. The audit committee currently comprises all independent non-executive Directors, namely Mr. Chiu Chi Wing, Mr. Wu Sai Him and Prof. Wang Dawu, and is chaired by Mr. Chiu Chi Wing. The audit committee has reviewed the annual results of the Group in respect of the Period.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 7 May 2021 to Friday, 14 May 2021 (both dates inclusive) for determining eligibility to attend and vote at the AGM, all transfer of share(s), accompanied by the relevant share certificate(s) with the properly completed transfer form(s) either overleaf or separately, must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Union Registrars Limited at Suites 3301-04, 33rd Floor, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, for registration not later than 4:00 p.m., Thursday, 6 May 2021.

DEFINITIONS

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

"AGM"	the annual general meeting of the Company to be held on Friday, 14 May 2021
"Board"	the board of Directors of the Company
"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
"Director(s)"	the director(s) of the Company
"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
"Group"	the Company and its subsidiaries
"Guanshanyue Apartments"	Guanshanyue Apartments* (觀山悅公館), a tourism property project under development jointly developed by Guangdong Gudou Travel Group Company Limited* (廣東古兜旅遊集團有限公司) and GD Aoyuan in the Gudou Hot Spring Resort
"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), a tourism property project under development jointly developed by Guangdong Gudou Travel Group Company Limited* (廣東古兜旅遊集團有限公司) and GD Aoyuan in the Gudou Hot Spring Resort
"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)"	Hong Kong dollars, 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
"LAT"	Land Appreciation Tax
"Listing"	the listing of the Shares on GEM of the Hong Kong Stock Exchange on 9 December 2016
"Mountain Seaview Vacation Residence"	Mountain Seaview Vacation Residence* (山海度假公館), a completed tourism property project in the Gudou Hot Spring Resort
"Occupancy Rate"	Total Occupied Room Nights of a hotel during a period divided by the Total Available Room Nights
"Period"	the year ended 31 December 2020
"PRC" or "China" or "Mainland China"	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 Special Administrative Region and Taiwan
"Prospectus"	the prospectus of the Company dated 30 November 2016 issued in connection with the Listing
"Room Revenue"	revenue generated from room rates (including related service charges) of the themed hotel complexes in the Gudou Hot Spring Resort
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Shares
"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
"Yuequan Huju Hotel"	Yuequan Huju Hotel* (月泉湖居酒店), a new themed hotel complex in the Gudou Hot Spring Resort which commenced operation in July 2019
"%"	per cent

In this announcement, the terms "associate(s)", "close associate(s)", "connected", "connected person(s)", "core connected person(s)", "controlling shareholder", "subsidiary(ies)" and "substantial shareholder(s)" shall have the meanings ascribed thereto under the GEM Listing Rules, unless the context otherwise requires.

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

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

Hong Kong, 26 March 2021

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

This announcement will remain on the GEM website at ***www.hkgem.com*** *on the "Latest Listed Company Information" page for at least seven days from the date of its posting. This announcement will also be published on the Company's website at* ***www.gudouholdings.com****.*