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GUDOU HOLDINGS LIMITED
古兜控股有限公司

(incorporated in the Cayman Islands with limited liability)

(stock code: 8308)

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

On 22 January 2025 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Company has conditionally agreed to allot and issue to the Subscriber, and the Subscriber has conditionally agreed to subscribe for, the Subscription Shares, being a total of 100,000,000 Subscription Shares at a Subscription Price of HK\$0.12 per Subscription Share. The Subscription Shares will be allotted and issued pursuant to the General Mandate.

Assuming there will be no change in the issued share capital of the Company between the date of this announcement and the Completion Date, the Subscription Shares represent (i) approximately 8.73% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 8.03% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares immediately after completion of the Subscription.

The Subscription Price of HK\$0.12 per Subscription Share represents (i) a discount of approximately 18.37% to the closing price of HK\$0.147 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and (ii) a discount of approximately 10.04% to the average closing price of HK\$0.133 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Subscription Agreement.

Assuming that all the Subscription Shares are successfully issued, the gross proceeds and net proceeds (after deducting the related expenses and professional fees) from the Subscription will amount to approximately HK\$12.0 million and approximately HK\$11.7 million, respectively.

The Company intends to use 65% the net proceeds from the Subscription for potential acquisition of investment, and 35% of the net proceeds from the Subscription for the general working capital of the Group. The Directors are of the view that the terms of the Subscription Agreement are fair and reasonable, and the Subscription will strengthen the Group's financial position, broaden the Company's shareholder base and is in the interests of the Company and the Shareholders as a whole.

Given that completion of the Subscription, which is subject to fulfillment of the conditions under the Subscription Agreement, may or may not take place, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

THE SUBSCRIPTION

On 22 January 2025, the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Company has conditionally agreed to allot and issue to the Subscriber, and the Subscriber has conditionally agreed to subscribe for the Subscription Shares. The principal terms of the Subscription Agreement are set out below.

THE SUBSCRIPTION AGREEMENT

Date

22 January 2025 (after trading hours)

Parties

Issuer: the Company

Subscriber: Yuen Kong Chuk

To the best knowledge, information, and belief of the Directors, having made all reasonable enquiries, the Subscriber, its associates and the respective ultimate beneficial owner(s) are Independent Third Parties.

The Subscription

Subject to the fulfilment of the conditions precedents and the terms and conditions as set out in the Subscription Agreement, the Subscriber shall subscribe for, and the Company shall allot and issue to the Subscriber, the Subscription Shares at the Subscription Price, which shall rank pari passu among themselves and with all of the Shares in issue at the Completion Date.

Number of Subscription Shares

Assuming there will be no change in the issued share capital of the Company between the date of this announcement and the Completion Date, the Subscription Shares represents (i) approximately 8.73% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 8.03% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares immediately after completion of the Subscription. The maximum aggregate nominal value of the Subscription Shares under the Subscription will be HK\$1,000,000.

Subscription Price

The Subscription Price is HK\$0.12 per Subscription Share which represents:

- a) a discount of approximately 18.37% to the closing price of HK\$0.147 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and
- b) a discount of approximately 10.04% to the average closing price of HK\$0.133 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Subscription Agreement.

The Subscription Price was determined on an arm's length basis between the Company and the Subscriber and with reference to the recent market price of the Shares and the prevailing market conditions. The Directors consider that the Subscription Price is fair and reasonable based on the current market conditions.

General Mandate

The Subscription Shares will be allotted and issued under the General Mandate granted to the Board at the AGM held on 21 June 2024, pursuant to which the Board is authorised to allot, issue and deal with up to 228,753,493 Shares. As at the date of this announcement, the Company has not utilized the General Mandate, accordingly, the Subscription is not subject to the approval of the Shareholders.

Conditions Precedent of the Subscription

Completion of the Subscription is conditional upon:

- (i) the Stock Exchange granting the listing of and permission to deal in the Subscription Shares; and
- (ii) all necessary consents and approvals required to be obtained by the parties hereto in respect of the Subscription Agreement and the transactions contemplated thereunder, including but not limited to the Subscription, having been obtained.

None of the above conditions can be waived. In the event of the above conditions not having been fulfilled by the Long Stop Date, all rights, obligations and liabilities of the Company and the Subscriber in relation to the Subscription shall cease and determine and none of the parties shall have any claim against the other in respect of the Subscription, save for any antecedent breaches of the Subscription Agreement.

Completion of the Subscription

Completion of the Subscription will take place not later than the 30 Business Days after the fulfilment of the conditions as set out above or such other date to be agreed between the Company and the Subscriber in writing.

The Company will also instruct PRC legal advisers to prepare for the CSRC filing in respect of the issue of the Subscription Shares, and attend to the filing upon completion of the Subscription.

APPLICATION FOR LISTING

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, all of the Subscription Shares.

INFORMATION ABOUT THE SUBSCRIBER

The Subscriber is an individual who is a Hong Kong permanent resident. The occupation of the Subscriber is a merchant. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Subscriber is a third party independent of the Company and its connected persons.

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The principal activity of the Company is investment holding. The Group is principally engaged in hot spring tourism, leisure health and wellness by operating and managing hot spring resort with a mission to revitalize and re-energise the bodies, minds and spirits of the guests. Along with hot spring resort and hotel operations, the Group also develops and sells tourism properties including villas, apartments, studio flats, commercial units and carpark spaces.

Assuming that all the Subscription Shares are successfully issued, the gross proceeds and net proceeds (after deducting the related expenses and professional fees) from the Subscription will amount to approximately HK\$12.0 million and approximately HK\$11.7 million respectively. The net price per Subscription Share will be approximately HK\$0.117.

The Company intends to use 65% the net proceeds from the Subscription for potential acquisition of investment, and 35% of the net proceeds from the Subscription for the general working capital of the Group.

The Directors are of the view that the terms of the Subscription Agreement are fair and reasonable, and the Subscription will strengthen the Group's financial position, broaden the Company's shareholder base and provide financial flexibility for potential investment opportunities and business expansion, especially given the current high interest rate environment currently. Overall, the Subscription is in the interests of the Company and the Shareholders as a whole.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company did not conduct any equity fund raising activity in the twelve months immediately preceding the date of this announcement.

SHAREHOLDING STRUCTURE OF THE COMPANY UPON COMPLETION OF THE SUBSCRIPTION

The shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon completion of the Subscription (assuming there is no change in the share capital of the Company from the date of this announcement up to the completion of the Subscription) are set out as follows:

	As at the date of this announcement		Immediately upon completion of the Subscription	
	<i>Number of Shares held</i>	<i>Approximate %</i>	<i>Number of Shares held</i>	<i>Approximate %</i>
Directors				
Mr. Hon Chi Ming (<i>Note 1</i>) (“ Mr. Hon ”)	118,000,000	10.30%	133,900,000	9.47%
Mr. Wang Jun	9,500,000	0.83%	9,500,000	0.76%
Substantial Shareholders				
JYH Hong Kong Limited	228,000,000	19.90%	228,000,000	18.30%
Mr. Li Chao Wang (<i>Note 2</i>)	159,000,000	13.88%	159,000,000	12.76%
Sky Success Ventures Limited	143,000,000	12.48%	143,000,000	11.48%
New Ray Developments Limited	143,000,000	12.48%	143,000,000	11.48%
The Subscriber	—	—	100,000,000	8.03%
Other public Shareholders	345,300,767	30.13%	345,300,767	27.72%
Total	<u>1,145,800,767</u>	<u>100.00%</u>	<u>1,245,800,767</u>	<u>100.00%</u>

Note:

- (1) *Mr. Hon owns one share (with no par value) in Harvest Talent Investments Limited (“**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 108,500,000 Shares. By virtue of the SFO, Mr. Hon is deemed to be interested in all the Shares held by Harvest Talent.*
- (2) *Mr. Li Chao Wang owns the entire issued share capital of Sentential Holdings Limited, which is the registered owner of 32,500,000 Shares. Also, Mr. Li Chao Wang owns 50% of the issued share capital (while his spouse, Ms. Song Min, owns the other 50% of the issued share capital) of Li Song Foundation Company Limited, which is the registered owner of 126,500,000 Shares. By virtue of the SFO, Mr. Li Chao Wang is deemed to be interested in all the Shares held by Sentential Holdings Limited and Li Song Foundation Company Limited.*

Given that completion of the Subscription, which is subject to fulfillment of the conditions under the Subscription Agreement, may or may not take place, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITION

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

“AGM”	the annual general meeting of the Company held on 21 June 2024;
“Board”	the board of Directors;
“Business Day(s)”	a day on which banks in Hong Kong are open for business, other than (i) a Saturday or a Sunday; or (ii) a day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon on which banks generally are open for business in Hong Kong;
“Company”	Gudou Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the GEM of the Stock Exchange;
“Completion Date”	a date falling within thirty (30) Business Days following the date on which all the conditions precedent are fulfilled (or such later date as the Company and the Subscriber may mutually agree in writing);
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules;
“CSRC”	The China Securities Regulatory Commission

“Directors(s)”	the director(s) of the Company;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM of the Stock Exchange;
“General Mandate”	the general mandate granted to the Directors pursuant to the resolutions of the Shareholders passed at the AGM to allot, issue and deal with up to 20% of the then issued Shares (i.e. 228,753,493 Shares) as at the date of the AGM;
“Group”	The Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Third Party(ies)”	person(s) or entity(ies) who is/are third party(ies) independent of, and not connected with the Company and any of their respective connected persons;
“Listing Committee”	has the meaning ascribed thereto in the GEM Listing Rules;
“Long Stop Date”	6 March 2025 or such later date as the parties to the Subscription Agreement may agree in writing;
“PRC”	The People’s Republic of China;
“SFC”	the Securities and Futures Commission of Hong Kong;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company;
“Shareholder(s)”	The holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription”	the subscription of the Subscription Shares by the Subscriber pursuant to the terms and conditions of the Subscription Agreement;

“Subscription Agreement”	the subscription agreement dated 22 January 2025 and entered into between the Company as issuer and the Subscriber in respect of the Subscription;
“Subscription Price”	HK\$0.12 per Subscription Share;
“Subscription Shares”	100,000,000 new Shares to be subscribed pursuant to the Subscription Agreement;
“%”	per cent.

By Order of the Board
GUDOU HOLDINGS LIMITED
Han Jim Zhao Ping
Chairman and Executive Director

Hong Kong, 22 January 2025

As at the date of this announcement, the executive Directors are Mr. Hon Chi Ming, Mr. Han Jim Zhao Ping, Mr. Wu Wei Bin and Mr. Wang Jun, the non-executive Director is Ms. Huang Yi, and the independent non-executive Directors are Mr. Chan Cheuk Ho and Ms. Zhang Shaomin.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited 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 this announcement misleading.

This announcement will remain on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk on the “Latest Listed Company Information” page for at least seven days from the date of its posting and will also be published on the Company’s website at www.gudouholdings.com.