



**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 2025**

**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.**

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*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 2025 together with the comparative figures for the preceding financial year as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Notes</i>	2025 <b>RMB'000</b>	2024 <i>RMB'000</i>
Revenue	4	53,150	53,380
Cost of sales		<u>(52,636)</u>	<u>(59,588)</u>
<b>Gross profit/(loss)</b>		<b>514</b>	<b>(6,208)</b>
Other income		394	609
Other gains, net		69	9,994
Fair value losses on investment properties		(18,900)	(7,900)
Selling expenses		(3,706)	(4,038)
Administrative expenses		(21,487)	(26,035)
(Impairment loss)/reversal of impairment loss under expected credit loss model, net		<u>(7,713)</u>	<u>2,032</u>
<b>Loss from operations</b>		<b>(50,829)</b>	<b>(31,546)</b>
Finance costs		<u>(15,188)</u>	<u>(19,619)</u>
<b>Loss before income tax</b>		<b>(66,017)</b>	<b>(51,165)</b>
Taxation	5	<u>4,085</u>	<u>357</u>
<b>Loss for the year attributable to owners of the Company</b>		<b>(61,932)</b>	<b>(50,808)</b>
<b>Other comprehensive income/(expense) for the year, net of tax</b>			
<i>Item that may be reclassified to profit or loss:</i>			
Currency translation differences		6,147	(7,448)
<i>Items that will not be reclassified to profit or loss:</i>			
Currency translation differences		(3,926)	4,753
Gain on revaluation of properties, net of tax		<u>28,790</u>	<u>40,185</u>
<b>Total comprehensive expense for the year attributable to owners of the Company</b>		<b><u>(30,921)</u></b>	<b><u>(13,318)</u></b>
<b>Loss per share</b>		2025 <b>RMB cents</b>	2024 <i>RMB cents</i>
Basic and diluted loss per share	7	<u>(4.85)</u>	<u>(4.45)</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	<i>Notes</i>	<b>2025</b> <b>RMB'000</b>	2024 RMB'000
<b>Non-current assets</b>			
Property, plant and equipment		<b>131,372</b>	156,499
Right-of-use assets		<b>10,455</b>	10,696
Investment properties		<b>591,400</b>	570,200
Financial assets at fair value through other comprehensive income		<b>55</b>	55
Deferred tax assets		<b>7,148</b>	7,067
		<u><b>740,430</b></u>	<u>744,517</u>
<b>Current assets</b>			
Properties held for sale		<b>101,506</b>	120,595
Inventories		<b>1,942</b>	2,318
Accounts receivable	8	<b>2,501</b>	3,806
Prepayments, deposits and other receivables		<b>17,807</b>	14,062
Amount due from the joint operator	9	<b>64,137</b>	70,333
Restricted bank balances		<b>60</b>	1,447
Bank and cash balances		<b>12,536</b>	1,450
		<u><b>200,489</b></u>	<u>214,011</u>
<b>TOTAL ASSETS</b>		<u><b>940,919</b></u>	<u>958,528</u>
<b>Current liabilities</b>			
Accounts payable	10	<b>57,222</b>	54,434
Provision, accruals and other payables		<b>122,482</b>	116,863
Settlement payable for discharge of the joint operation		<b>64,137</b>	64,137
Loan from the joint operator		<b>15,000</b>	15,000
Amount due to a director		<b>9,681</b>	1,498
Borrowings		<b>65,500</b>	134,946
Lease liabilities		<b>1,047</b>	665
Current tax liabilities		<b>66,109</b>	64,324
Contract liabilities		<b>40,792</b>	67,279
		<u><b>441,970</b></u>	<u>519,146</u>

	<i>Note</i>	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
<b>Non-current liabilities</b>			
Borrowings		<b>148,673</b>	80,830
Lease liabilities		<b>5,533</b>	5,728
Loan from a related party		<b>7,504</b>	7,849
Deferred tax liabilities		<b>163,235</b>	159,428
Deferred income		<b>10,150</b>	11,050
		<u><b>335,095</b></u>	<u>264,885</u>
<b>TOTAL LIABILITIES</b>		<u><b>777,065</b></u>	<u>784,031</u>
<b>Capital and reserves</b>			
Share capital	<i>11</i>	<b>12,374</b>	10,131
Reserves		<b>151,480</b>	164,366
<b>TOTAL EQUITY</b>		<u><b>163,854</b></u>	<u>174,497</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u><b>940,919</b></u>	<u>958,528</u>

## NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

### 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 the operation and management of Gudou Hot Spring Resort and provision of consultancy and/or management services to third party resort and hotel operators and the development and sales of tourism properties in Guangdong Province.

These financial information are presented in Renminbi ("RMB"), unless otherwise stated.

### 2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

#### **Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year**

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to an HKFRS Accounting Standard in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

## 2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (CONTINUED)

### New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 <sup>2</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>
HKFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027.

Except for the new HKFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

### ***HKFRS 18 Presentation and Disclosure in Financial Statements***

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of Preparation of Financial Statements* upon effective of HKFRS 18) and HKFRS 7 *Financial Instruments: Disclosures*. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

### **3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION**

#### **3.1 Compliance with HKFRS Accounting Standards and HKCO**

The consolidated financial information of the Group have been prepared in accordance with all applicable HKFRS Accounting Standards and requirements of the Hong Kong Companies Ordinance (“HKCO”) Cap.622.

#### **3.2 Historical cost convention**

The consolidated financial information has been prepared under the historical cost basis except for investment properties and financial assets at fair value through other comprehensive income which are measured at fair value.

The preparation of consolidated financial information in conformity with HKFRS Accounting Standards 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.

#### **3.3 Going concern assumption**

During the year ended 31 December 2025, the Group reported a net loss of approximately RMB61,932,000. As at 31 December 2025, the Group’s current liabilities exceeded its current assets by approximately RMB241,481,000. Included in its current liabilities were borrowings of approximately RMB24,940,000 which were overdue, while its bank and cash balances amounted to approximately RMB12,536,000 only as at 31 December 2025.

The Group’s property development business related to the joint operation (the “Joint Operation”) with Guangdong Aoyuan Company Limited (“GD Aoyuan”) was negatively affected by the liquidity condition of China Aoyuan Group Limited (“China Aoyuan”), the shareholder of GD Aoyuan. Pursuant to the cooperation agreements, GD Aoyuan is solely responsible for the funding of construction of projects of the Joint Operation. However, GD Aoyuan was unable to advance sufficient funding for the settlement of construction and other costs. In addition, the Group is involved in several legal disputes with GD Aoyuan being the plaintiff. Upon the civil ruling handed down by Jiangmen Xinhui’s People Court (the “Court”), the Court ordered to discharge the Joint Operation on 19 May 2023. As a result, the Group needs to be solely responsible for the ongoing operation of the property development project and to settle any obligation arising from the discharge, which may further affect the liquidity of the Group.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### 3.3 Going concern assumption (Continued)

All of the above conditions indicate the existence of material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

In view of such circumstances, the directors of the Company (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 have reviewed a cash flow projection of the Group prepared by management covering a period of not less than twelve months from 31 December 2025 taking into consideration the following plans and measures:

- (i) For the installment loans, with original due dates during the year of 2024, amounting to RMB24,940,000 as at 31 December 2025, the Group has been actively negotiating with the bank on revising the repayment schedules to extend the due dates. Having considered the successful record of renewing the Group's borrowings, the longstanding relationships with the banks and assets being pledged to these banks, the Directors believe that the Group will be able to renegotiate the payment dates of these overdue installment loans and the remaining bank loans due in 2026.
- (ii) The Group has entered into facilities of RMB230,000,000 in March 2024 with a bank and be able to draw down from these bank facilities, subject to certain conditions, including the amounts to be drawn down and the assets that can be used as pledge. There is an unutilised amount of banking facilities of RMB205,060,000 as at 31 December 2025.
- (iii) The Group has entered into a loan facility of RMB50,000,000 in December 2024 with an independent third party with an expire date of 2027. As at reporting date, the Group has not yet drawn down any amount under this facility.
- (iv) The Group has been actively negotiating with the relevant tax authority on deferring the payment of the Group's current taxes (including the PRC enterprise income tax ("PRC EIT") and PRC land appreciation tax ("LAT")). The Directors are of the opinion that the current tax liabilities (including PRC EIT and LAT) will not be fully payable in 2026 and 2027 based on the Group's understanding of the practice of the tax authority to support the industry that was seriously affected under the COVID-19 pandemic.
- (v) Riding on the gradual recovery of the Group's property sale in 2025, the Group is cautiously optimistic that the property market will continue to recover in 2026. The Group continues its efforts by generating cash from property development, delaying the settlement to key suppliers or contractors and implementing measures to further control capital and operating expenditures of the Group.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### 3.3 Going concern assumption (Continued)

- (vi) After the discharge of the Joint Operation, the Group is responsible for the operation of the property development project. The Group will actively adjust the sales strategy to respond to changing markets in order to achieve a better sales volumes and amounts, and enhance collection. In addition, based on the development plan of the project and the Directors' best understanding on the construction progress, the Directors considered that the additional obligation that the Group needs to take up is inconsequential. Moreover, the Group considers it has the rights to claim GD Aoyuan on any possible settlements on behalf of GD Aoyuan relating to the Joint Operation and thus do not expect any significant cash outflow going forward.
- (vii) Upon the discharge of the Joint Operation, the Group has recognised a settlement payable for acquiring the remaining unsold properties originally jointly owned with the joint operator and a loan from joint operator upon civil ruling. These payables are included in current liabilities. The Group considers they will arrange the settlement of such payable to GD Aoyuan together with any possible settlements by the Group on behalf of GD Aoyuan relating to the Joint Operation, any GD Aoyuan's withdrawals from the designated bank account and compensation for damages granted by the Court for GD Aoyuan's breaches of the Joint Operation. Based on the assessment by management, the Directors considered that the obligation that the Group needs to settle to GD Aoyuan is inconsequential.
- (viii) The Group is actively looking for additional sources of financing to enhance the financial position and support the operations of the Group.

The Directors, 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 covering a period of not less than twelve months from 31 December 2025. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, a material uncertainty exists as to whether the Group is able to achieve its plans and measures as described above, which incorporate assumptions about future events and conditions that are subject to inherent uncertainties. Whether the Group will be able to continue as a going concern depends upon:

- (a) the Group's ability to negotiate with the bank on revising repayment schedules to extend the due dates of installment loans;
- (b) the Group's ability to draw down from the unutilised amount of banking facilities of RMB205,060,000 and a loan facility of an independent third party of RMB50,000,000 as and when needed;
- (c) the Group's ability to further defer the payment of the Group's PRC EIT and LAT;

### **3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

#### **3.3 Going concern assumption (Continued)**

- (d) the Group's ability to accelerate the recovery and generate operating cash inflow from its property sales, delay the settlement to key suppliers or contractors and implement measures to further control capital and operating expenditures of the Group;
- (e) the Group's ability to successfully adjust the sales strategy to achieve a better sales volume and amounts and timely collection of sales proceeds;
- (f) the Group's ability to settle the discharge of the joint operation and to resolve the dispute with the joint operator with inconsequential financial impact to the Group; and
- (g) the Group's ability to successfully raise additional sources of financing as and when needed to enhance the financial position and support the operations of the Group.

Should the Group be unable to continue as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

This note provides a list of other potentially material accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 4. REVENUE

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

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
<b>Hotel and resort operations</b>		
Admission income	7,369	12,815
Catering income	1,397	9,196
Conference fee income	242	552
Rental income	2,987	3,696
Other service income	3,694	3,273
Merchandise sales income	39	173
Room revenue	9,830	15,356
	<u>25,558</u>	<u>45,061</u>
<b>Tourism properties</b>		
Property sales	27,592	8,319
	<u>53,150</u>	<u>53,380</u>
Timing of revenue recognition from contracts with customers		
At a point in time	36,397	30,503
Over time	13,766	19,181
	<u>50,163</u>	<u>49,684</u>
Rental income	2,987	3,696
	<u>53,150</u>	<u>53,380</u>

#### 5. TAXATION

For the year ended 31 December 2025, no provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong (2024: Nil). The Group's subsidiaries in the PRC are subject to the PRC enterprise income tax at a rate of 25% (2024: 25%) on estimated assessable profits.

The revenue from tourism property as described in Note 4 includes sales of apartments. Under the applicable tax regulations, LAT is charged at progressive rate from 30% to 60% (2024: 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% (2024: 30% to 60%) according to their best estimation.

## 5. TAXATION (CONTINUED)

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Current tax		
– PRC enterprise income tax	406	–
– LAT	1,379	416
	<u>1,785</u>	<u>416</u>
Deferred tax	(5,870)	(773)
	<u>(4,085)</u>	<u>(357)</u>

## 6. DIVIDEND

No dividend was paid or declared by the Company during the year ended 31 December 2025, nor has any dividend been proposed since the end of the reporting period (2024: Nil).

## 7. 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 year.

	Year ended 31 December	
	2025	2024
Loss attributable to owners of the Company (RMB'000)	(61,932)	(50,808)
Weighted average number of ordinary shares in issue ('000)	<u>1,275,730</u>	<u>1,141,356</u>
Basic loss per share (RMB cents)	<u>(4.85)</u>	<u>(4.45)</u>

## 7. LOSS PER SHARE (CONTINUED)

### Diluted

Diluted loss 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.

For the years ended 31 December 2025 and 31 December 2024, share options were not assumed to be exercised/converted as they have an anti-dilutive impact due to the loss for the years attributable to owners of the Company.

## 8. ACCOUNTS RECEIVABLE

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Accounts receivable, gross	7,614	7,348
<i>Less: impairment allowance</i>	<u>(5,113)</u>	<u>(3,542)</u>
Accounts receivable, net	<u><b>2,501</b></u>	<u><b>3,806</b></u>

The Group allows an average credit period ranging from 30 to 90 days (2024: 30 to 90 days) to travel agencies and corporate customers in hotel and resort operations segment. For new travel agencies and corporate customers, payment in advance is normally required. Overdue balances are reviewed regularly by the Directors.

## 8. ACCOUNTS RECEIVABLE (CONTINUED)

The aging analysis of gross accounts receivable, based on the invoice date for travel agencies and corporate customers, is as follows:

	As at 31 December	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Up to 30 days	358	778
31 to 60 days	228	199
61 to 90 days	163	29
Over 90 days	6,865	6,342
	<u>7,614</u>	<u>7,348</u>
Impairment allowance	<u>(5,113)</u>	<u>(3,542)</u>
Accounts receivable, net	<u><u>2,501</u></u>	<u><u>3,806</u></u>

Movements on the impairment allowance of accounts receivable are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
At the beginning of the year	3,542	8,966
Impairment loss/(reversal of impairment loss)	<u>1,571</u>	<u>(5,424)</u>
At the end of the year	<u><u>5,113</u></u>	<u><u>3,542</u></u>

The above impairment loss/(reversal of impairment loss) have been included in “Impairment loss/(reversal of impairment loss) under expected credit loss model, net” in the consolidated statement of profit or loss and other comprehensive income.

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

## 9. AMOUNT DUE FROM THE JOINT OPERATOR

Guangdong Gudou Travel Group Company Limited (“GD Gudou”), an indirect wholly owned subsidiary of the Group, entered into a joint operation arrangement with Guangdong Aoyuan Group Company Limited (“GD Aoyuan” or “Joint Operator”), which is an indirect wholly owned subsidiary of China Aoyuan Group Limited, through the execution of two cooperation agreements dated 16 July 2019 and 30 June 2020 (the “Joint Operation Agreements” ) for the development of a tourism property, facilities and other infrastructures incidental to the development of tourism property on 8 parcels of land (the “Land”) in Gudou Jiangmen, the PRC (the “Joint Operation”). In return of this Joint Operation, GD Gudou and GD Aoyuan are entitled to 30% and 70%, respectively, of the net income derived from the Joint Operation.

Pursuant to the Joint Operation Agreements, while GD Gudou is responsible for contributing the Land to the Joint Operation, GD Aoyuan is responsible for (i) funding the development, construction and management of the Land; (ii) maintaining the books and records of the Joint Operation; and (iii) operating a designation bank account under the name of GD Gudou (the “Designated Bank Account”). Additionally, the purpose of the Designated Bank Account is to deposit fundings received from GD Aoyuan to settle the construction and other costs of the Joint Operation and receive proceeds from the sales of the property units developed under the Joint Operation. Fundings can also be withdrawn from the Designated Bank Account to settle any construction and other costs incurred for the Joint Operation.

Upon the inception of the Joint Operation, based on the Joint Operation Agreements and management’s understanding of the operation of the Joint Operation, management has recognised the Land as properties held for sale, the bank balances in the Designated Bank Account as restricted bank balances, all the proceeds received from the pre-sales activities relating to the Joint Operation and deposited at the Designated Bank Account as contract liabilities in the consolidated statement of financial position, and recognised 30% (as entitled by GD Gudou in accordance with the Joint Operation Agreements) of the revenue recognised and expenses incurred in connection with the Joint Operation in the consolidated statement of profit or loss and other comprehensive income. Additionally, for any amounts settled by the Group or the Joint Operator on behalf of the Joint Operation which are expected to be recovered from the Joint Operator or the Group, respectively, these transactions would be recognised as amount due from/to the Joint Operator.

Since the commencement of the Joint Operation, construction work has begun only on 3 parcels of the Land and two developed properties on these 3 parcels of Land have commenced pre-sale activities in 2019 and 2022. There has been no further development for the remaining 5 parcels of the Land now. The development of the Land has been further delayed starting from the second half of 2022. In 2022, GD Gudou received several claims as one of the defendants from a few property buyers in respect of alleged breach of contracts by a contractor introduced by GD Aoyuan for the remodelling of their property units. Although these claims have been closed, it led to the Group’s management to probe closer into the activities of the Joint Operation, including the transaction activities in the Designated Bank Account. Furthermore, the Group could not proceed with the search as GD Aoyuan moved out from the office building of GD Gudou in November 2022, and all the accounting records and related supporting documents of the Joint Operation were taken away by GD Aoyuan at the same time. GD Aoyuan had provided accounting records including ledger, balance sheets and profit and loss accounts for the Joint Operation in the previous periods but the Group did not maintain a full set of accounting vouchers and supporting documents as they had access in the past. Since then, GD Aoyuan was not cooperative and despite the Group’s continuous effort, the Group was not able to obtain the accounting records of the Joint Operation taken away by GD Aoyuan.

## 9. AMOUNT DUE FROM THE JOINT OPERATOR (CONTINUED)

In March 2023, the Directors, of which have no prior knowledge, were made aware of two loan agreements involving GD Gudou, being the borrower, and GD Aoyuan, being the lender, totalling not more than RMB50,000,000 which are interest-bearing at 12% per annum in 2019 (the “Loan Agreements”) and a commitment letter made by GD Gudou in favour of GD Aoyuan in relation to RMB15,000,000 at an interest rate of 12% per annum in 2021 (the “Commitment Letter”). These Loan Agreements and Commitment Letter were received from an anonymous source and were alleged by the informant to be related to certain withdrawals being made from the Designated Bank Account by the Group over the years from 2019 to 2021. However, it was the understanding of the management of the Group that these withdrawals were not loans in nature and in fact were fund transfers. The withdrawals made in 2019 were for the purposes to settle certain construction and other costs incurred by the Group and paid on behalf of GD Aoyuan from the Designated Bank Account as agreed with GD Aoyuan in order to complete the existing property development project of GD Gudou so as to expedite the overall pre-sales activities of the property development project under the Joint Operation. Such withdrawals had already been settled by the Group based on management’s understanding. The withdrawals made in 2021 were for the purpose to release the mortgage over one of the parcels of the Land contributed by GD Gudou so as to facilitate the application of pre-sale permit of the Joint Operation.

In March and April 2023, GD Aoyuan filed two claims against the Group in relation to (i) the Commitment Letter and (ii) the operation of the Joint Operation and claimed that GD Aoyuan had intended to continue the Joint Operation but could not do so unless these disputes could be resolved. In the hearing process of the court case, GD Aoyuan further submitted to the Court certain supplemental agreements of which the Directors had no prior knowledge. In October 2023, the Group received a civil ruling from the Court to discharge the Joint Operation with effective date on 19 May 2023 and concluded that certain alleged supplemental agreements to the Joint Operation Agreements, to which the Group still has no access, were invalid and should not be enforceable. However, the Loan Agreements have been determined by the civil ruling to be authentic.

Upon the Court’s ruling on discharging the Joint Operation Agreements with effective date on 19 May 2023 and based on the advice from the Company’s PRC lawyer (the “PRC legal advice”), the Group becomes the sole legal owner of the remaining unsold properties (“Properties”) originally jointly owned with the Joint Operator and could therefore exercise unilateral control over all of the properties held for sale as previously developed and managed by the Joint Operation. Management has therefore accounted for the discharge of the Joint Operation Agreements as an asset acquisition of a previously jointly controlled asset from the Joint Operator (“Acquired Properties”). The Group recognised the Acquired Properties at their estimated market value of approximately RMB64,137,000 as determined by an independent valuer appointed by the Company and correspondingly recognised a settlement payable of the same amount for the discharge of Joint Operation Agreements on 19 May 2023 upon the Group obtains control over the Acquired Properties. Thereafter, the Group started to recognise the entire revenue arising from any subsequent sales of properties and also all of the expenses as incurred for any subsequent property development activities in the consolidated statement of profit or loss and other comprehensive income.

## 9. AMOUNT DUE FROM THE JOINT OPERATOR (CONTINUED)

In April 2024, the Court's ruling rejected GD Aoyuan appeals to the decision of discharging the Joint Operation Agreements mentioned above where and ruled that GD Aoyuan has to pay GD Gudou RMB10 million as a penalty for breach of contract. The amount has been recognised as other gains in the consolidated statement of profit or loss and other comprehensive income according to the ruling.

In May 2024, the Court's ruling concluded on the validity of the Commitment Letter and that GD Gudou has to repay the loan amounting to RMB15 million with interest at 12% per annum starting from 18 March 2021 until the loan is settled. The Group recognised the principal of the loan from the Joint Operator and the accrued interest in current liabilities in the consolidated statement of financial position.

### **Accounting records of the Joint Operation**

After GD Aoyuan moved out from the office building of GD Gudou in November 2022 and took away all the accounting records and related supporting documents of the Joint Operation, the Group could only rely on the limited information and documents available to account for the transactions related to Joint Operation and prepare its financial information for the Group's consolidated financial statements as at and for the year ended 31 December 2022 based on its best understanding of the operation of the Joint Operation and judgement. The Group continues to be unable to obtain the books and records of the Joint Operation for the period prior to 31 December 2022 as GD Aoyuan is not cooperative. During the years ended 31 December 2025, 2024 and 2023, the Group has maintained complete record of transactions and controlled the usage of the seals and chops in relation to the Joint Operation.

In July 2025, the Group filed a claim against GD Aoyuan in relation to the unlawful retention of the Group's books and records of the Joint Operation. In January 2026, the Court's ruling concluded that GD Aoyuan is required to return the books and records of the Joint Operation in respect of land, employee, construction and accounting records etc of the Joint Operation to the Group.

Moreover, in August 2025, the Group was successful in obtaining all bank statements of the Designated Bank Account of the Joint Operation from the PRC Bank and was able to verify the Group's accounting records regarding the current account with GD Aoyuan prior to 2022 with the transaction activities in the Designated Bank Account and reconcile with the balances of the amount due from the joint operator in the Group's consolidated financial statements as of 31 December 2025 and 2024.

Due to the inability to obtain the accounting records of the Joint Operation from GD Aoyuan when GD Aoyuan was responsible for maintaining the books and records, the Group could not ensure if there is any unknown outstanding construction and other costs and any possible disputes with other creditors related to the Joint Operation. The Group received several claims from the contractors of the Joint Operation for the settlements of outstanding construction and other costs amounting to RMB31 million and has accrued such amount as other payables and correspondingly an amount due from the joint operator as a settlement on behalf of GD Aoyuan in 2022. No additional claims have been received since then. Nevertheless, based on the PRC legal advice, the Group considers it has the rights to claim GD Aoyuan on any possible settlements on behalf of GD Aoyuan relating to the Joint Operation and therefore, the Group will recognise settlements made on behalf of GD Aoyuan if they further receive any claims in relation to the Joint Operation's activity prior to 19 May 2023.

## 9. AMOUNT DUE FROM THE JOINT OPERATOR (CONTINUED)

### Accounting records of the Joint Operation (Continued)

Nevertheless, based on the opinion from the Company's PRC lawyer (the "PRC Legal Opinion"), the Group considers it has the rights to claim GD Aoyuan on any possible settlements on behalf of GD Aoyuan relating to the Joint Operation and therefore, the Group continued to recognise the settlements made on behalf of GD Aoyuan, together with any GD Aoyuan's withdrawals from the Designated Bank Account, as amount due from the joint operator. In consideration of the liquidity condition of GD Aoyuan, the Group has recognised an impairment provision up to the Group's entitlement of the Joint Operation as stated in the Joint Operation Agreements, which has been assessed in conjunction with the settlement payable for discharge of the joint operation under the current liabilities. Since these balances arising from the Joint Operation will be settled through in a net basis of the final settlement with GD Aoyuan in respect of the Joint Operation. Accordingly, the amount due from the joint operator is impaired to the same amount of RMB64,137,000 with the corresponding settlement payable for discharge of the joint operation. Given this linkage and the expectation of offsetting settlement, the impairment provision recognised reflects management's assessment of the recoverability of the amount due from the joint operator after giving effect to the offsetting against the settlement payable for discharge of the joint operation and having regard to the terms of the Court's ruling and the PRC legal opinion.

### Amount due from the Joint Operator

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Amount due from the joint operator	115,319	115,308
Less: allowance for impairment	(51,182)	(44,975)
	<u>64,137</u>	<u>70,333</u>

Movements on the impairment loss on amount due from the joint operator are as follows:

	2025	2024
	RMB'000	RMB'000
At the beginning of the year	44,975	41,976
Impairment losses	<u>6,207</u>	<u>2,999</u>
At the end of the year	<u>51,182</u>	<u>44,975</u>

## 10. ACCOUNTS PAYABLE

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

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Up to 90 days	1,278	6,182
91 to 180 days	1,104	1,503
181 to 365 days	2,222	4,559
Over 1 year	52,618	42,190
	<u>57,222</u>	<u>54,434</u>

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 2024	1,137,186	10,051
Exercise of share options	8,615	80
	<u>1,145,801</u>	<u>10,131</u>
As at 31 December 2024	1,145,801	10,131
Exercise of share options	23,000	210
Subscription of new shares	100,000	932
Subscription of new shares	120,000	1,101
	<u>1,388,801</u>	<u>12,374</u>

*Note:*

On 22 January 2025, the Company entered into a share subscription agreement with an independent third party for subscription of 100,000,000 shares of the Company at the subscription price of HK\$0.12 per share. The share subscription was completed on 7 March 2025. The net proceed from the share subscription amounted to approximately HK\$11,712,000 (equivalents of approximately RMB10,767,000), net of the transaction costs of issuing the shares.

On 16 June 2025, the Company entered into a share subscription agreement with an independent third party for subscription of 120,000,000 shares of the Company at the subscription price of HK\$0.058 per share. The share subscription was completed on 18 August 2025. The net proceed from the share subscription amounted to approximately HK\$6,848,000 (equivalents of approximately RMB6,295,000), net of the transaction costs of issuing the shares.

## **AUDIT OPINION**

The auditor of the Group will issue a qualified opinion with material uncertainty related to going concern on the consolidated financial statements of the Group for the year under audit. An extract of the auditor’s report is set out in the section headed “EXTRACT OF THE AUDITOR’S REPORT OPINION” below.

### **EXTRACT OF THE AUDITOR’S REPORT OPINION**

#### **Our qualified opinion**

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### **BASIS FOR QUALIFIED OPINION**

#### **Limitation of scope in relation to a joint operation with Guangdong Aoyuan Company Limited**

As set out in Note 22 to the consolidated financial statements, Guangdong Gudou Travel Group Company Limited (“GD Gudou”), an indirect wholly owned subsidiary of the Group, entered into a joint operation arrangement with Guangdong Aoyuan Group Company Limited (“GD Aoyuan” or “Joint Operator”) through the execution of two cooperation agreements (“Joint Operation Agreements”) dated 16 July 2019 and 30 June 2020 for the development of 8 parcels of land in Gudou Jiangmen, the People’s Republic of China (the “PRC”) (the “Joint Operation”). Pursuant to the Joint Operation Agreements, GD Gudou is responsible for contributing the Land to the Joint Operation and GD Aoyuan is responsible for (i) funding the development, construction and management of the Land, (ii) maintaining the books and records of the Joint Operation and (iii) operating a designation bank account under the name of GD Gudou (the “Designated Bank Account”). The Joint Operation was subsequently discharged based on a civil ruling from the Court with an effective date of 19 May 2023. As at 31 December 2025, the Group recognised an amount due from the joint operator of RMB64,137,000 (2024: RMB70,333,000) that is net of impairment loss of RMB51,182,000 (2024: RMB44,975,000), settlement payable for discharge of the joint operation of RMB64,137,000 (2024: RMB64,137,000), and loan from the joint operator of RMB15,000,000 (2024: RMB15,000,000) and related interest payable of RMB8,625,000 (2024: RMB6,825,000) arising from the Joint Operation.

We expressed a qualified opinion in our audit report dated 31 March 2025 to the consolidated financial statements for the year ended 31 December 2024, because of the limitation of scope in respect of lack of the financial information of the Joint Operation. As disclosed in Note 22 to the consolidated financial statements and aforesaid, further to the Court ruling in January 2026 the Group was able to obtain all bank statements of the Designated Bank Account of the Joint Operation from the PRC Bank and was able to verify the Group’s accounting records regarding the current account with GD Aoyuan prior to 2022 with the transaction activities in the Designated Bank Account and reconcile with the balances of the amount due from the joint operator in the Group’s consolidated financial statements as of 31 December 2025 and 2024. We have thus obtained sufficient appropriate evidence regarding the amount due from the joint operation as at 31 December 2025 and have also performed additional audit procedures to verify the accuracy of the comparative information for 2024 related to this matter. As stated in Note 22 to the consolidated financial statements, having considered the previous Court’s rulings and the legal opinion from the Company’s PRC lawyer on the rights and obligations of each counterparty in relation to the Joint Operation, the Group has recognised impairment provision of amount due from the joint operator based on the Group’s entitlement of the Joint Operation as stated in the Joint Operation Agreements.

The limitation of scope arisen from the lack of accounting records of the Joint Operation that affected our prior year opinion has been fully resolved. However, we were unable to obtain sufficient audit evidence regarding the impairment assessment of the amount due from the joint operator as at 31 December 2024. Any adjustments to the figure as described above might have a consequential effect on the Group’s result and cash flows for current and prior year, and related disclosures in the consolidated financial statements and the financial position of the Group as at 31 December 2024 presented as comparative figures in these consolidated financial statements and hence affect the comparability of the current year’s figures and the corresponding figures.

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (“the Code”), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion as at 31 December 2025.

## **MATERIAL UNCERTAINTY RELATED TO GOING CONCERN**

We draw your attention to Note 3(b)(ii) to the consolidated financial statements, which states that the Group incurred a net loss of approximately RMB61,932,000 during the year ended 31 December 2025 and, as of that date, the Group's current liabilities exceeded its current assets by approximately RMB241,481,000. Included in its current liabilities were borrowings of approximately RMB24,940,000 which were overdue, while bank and cash balances were approximately RMB12,536,000 only as at 31 December 2025. In relation to the Joint Operation with GD Aoyuan, the Group was discharged from the Joint Operation in May 2023 as set forth in Note 22 and needs to be responsible for the ongoing operation of the property development project and to settle any obligation arising from the discharge. These conditions, along with other matters as set forth in Note 3(b)(ii) to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## **SCOPE OF WORK OF RONGCHENG (HONG KONG) CPA LIMITED**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in this preliminary announcement have been agreed by the Group's auditor, Rongcheng (Hong Kong) CPA Limited, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 27 March 2026. The work performed by Rongcheng (Hong Kong) CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Rongcheng (Hong Kong) CPA Limited on the preliminary 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 Year, the Group recorded a turnover of approximately RMB53.2 million, representing an decrease of approximately 0.4% when compared to that of the previous year. Such change was mainly attributable to:

- (i) an decrease in revenue generated from the Group's hot spring resort and hotel operations business because the continuous weak demand in domestic consumption market, and the recovery of the group's hot spring resort and hotel business has also been hampered; and

- (ii) an increase in revenue generated from the Group's tourism property development business due to increase in units sold and delivered in Guanshanyue Apartments during the Year.

### **Hot Spring Resort and Hotel Operations**

The revenue of the Group from the hot spring resort and hotel operations and consultancy and/or management services business decreased by approximately 43.3% to approximately RMB25.6 million for the year ended 31 December 2025 as compared with that for the year ended 31 December 2024. Such decrease was mainly attributable to the decrease in room revenue, admission income, catering income, conference fee income and rental income.

The Occupancy Rate of the Group's seven themed hotel complexes decreased from approximately 26% for the year ended 31 December 2024 to approximately 18% for the Year. The average room rate of the Group's seven themed hotel complexes decreased from approximately RMB233.5 for the year ended 31 December 2024 to approximately RMB226.2 for the Year, primarily because of the keen market competition and the decline in the number of visitors.

### **Tourism Property Development**

Revenue from the tourism property development business was approximately RMB27.6 million, representing an increase of approximately 231.7% from approximately RMB8.3 million for the year ended 31 December 2024. Revenue from the tourism property development business consists of the sales and delivery of Guanshanyue Apartments totalling RMB27.6 million.

During the Year, we sold and delivered 83 units (approximately 19.3% of the total saleable GFA) of Guanshanyue Apartments. We expect the sales and delivery of Gudou Yishui Mingting Apartments and Guanshanyue Apartments to continue in 2026.

### **Prospect**

Looking ahead in 2026, the Company will substantiate its growth and create long-term Shareholder's value by focusing primarily on the hot spring resort and hotel operations and consultancy and/or management services business through the implementation of its core business strategies. The Company will continue to operate Gudou Hot Spring Resort and provide quality services to the Group's customers with a belief in the importance of health regimen to human beings and well-being of body and mind. Further, the Company will leverage its "Gudou" brand and explore opportunities to provide new services and approach new customers.

Tourism property development will continue to be the Company's focus in 2026. The Company expects the sale of Gudou Yishui Mingting Apartments and Guanshanyue Apartments to continue in 2026 and will continue to explore and develop new tourism property development projects both within and outside Gudou Hot Spring Resort.

## 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 2025. These business objectives are in place with a view to generating long-term value to the Company and the Shareholders.

<b>Business Objectives</b>	<b>Actual Business Progress up to 31 December 2025</b>
1. Continue to enhance the Group's position in the hot spring and hotel industry	The Group's effort in respect of enhancing its position in the hot spring and hotel industry is still ongoing.
(i) Replicate the Group's business model to operate new hot spring resorts and hotels	(i) The Group will continue to select its potential target cities based on a number of factors, including, among others, local favourable governmental 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.
(ii) Provide management services to other hot spring resort owners	(ii) The Group will continue to explore new business opportunities to provide management services to hot spring resorts owned by third party owners. The investment and development team will continue to identify and evaluate potential business opportunities.

## Business Objectives

2. Plan to expand the tourism property development business of the Group

## Actual Business Progress up to 31 December 2025

To prepare the Group for the expansion of the tourism property development business, the Directors have 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 year, the Group sold and delivered 83 units of Guanshanyue Apartments. The Directors expect the sales of the jointly developing property projects, Gudou Yishui Mingting Apartments and Guanshanyue Apartments, to continue in 2026 and properties to be delivered to its customers from 2026 onwards.

3. Continue to enhance the Group's "Gudou" brand across the PRC by providing quality products and services to the customers

The Group has implemented strict quality control standards and closely monitored the product or service quality, and the workmanship of its contractors throughout the property development process in relation to the Group's tourism property development business. During the Year, the Group had also organised a number of promotional events to promote the Group's "Gudou" brand, such as:

- The Second Yamen Gudou Kung Fu Hot Spring Festival in January 2025
- Gudou's First Tangerine Peel Clay Pot Chicken Festival (“古兜第一陳皮窯雞節”) in March 2025
- Gudou Dragon Boat Festival in May 2025
- Gudou Hot Springs 618 Carnival Festival (“古兜溫泉618狂歡節”) in June 2025

## **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 Year, the Group recorded turnover of approximately RMB53.2 million (2024: approximately RMB53.4 million), representing a decrease of approximately 0.4% 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 business. The turnover from the Group’s hot spring resort and hotel operations decreased by approximately 43.3% from approximately RMB45.1 million in the previous year to approximately RMB25.6 million for the Year. Such decrease was mainly driven by a decrease in room revenue, admission and catering income due to a continuous drop in visitors. The Group’s revenue from its tourism property development business recorded an increase of approximately 231.7% from approximately RMB8.3 million for the year ended 31 December 2024 to approximately RMB27.6 million for the Year. The increase was primarily attributable to the increase in GFA delivered and sold of Guanshanyue Apartments recorded during the Year.

### ***Cost of Sales***

The Group's cost of sales for the Year was approximately RMB52.6 million, representing a decrease of approximately 11.7% from approximately RMB59.6 million for the year ended 31 December 2024. Such decrease was primarily due to decrease in cost of sales of the Group's hot spring resort and hotel operations, which was mainly resulted from a decrease in the staff costs and depreciation expenses during the Period. The decrease was partially offset by the increase in the cost of sales of the Group's tourism property development business. Such increase was primarily due to increase in GFA delivered and sold of Guanshanyue Apartments during the Year.

### ***Gross Loss and Gross Loss Margin***

The Group's gross profit for the Year was approximately RMB0.5 million, representing an increase when compared with its gross loss of approximately RMB6.2 million for the year ended 31 December 2024. The Group's gross loss margin increased from approximately 11.6% for the year ended 31 December 2024 to gross profit margin of approximately 0.97% for the Year, which reflected the larger portion of revenue generated from tourism property development which had a higher gross profit margin than that of hot spring resorts and hotel operations.

For the Year, the gross loss margin for hot spring resort and hotel operations was approximately 31.3% (2024: gross loss margin approximately 19.4%). The change is primarily due to the decrease in revenue from the hot spring resort and hotel operations. The gross profit margin for tourism property development for the Year was approximately 30.8% (2024: approximately 30.4%).

### ***Fair Value Losses 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 losses on investment properties of the Group for the Year was approximately RMB18.9 million in value, while there was a fair value loss of RMB7.9 million in previous year.

### ***Selling Expenses***

The Group's selling expenses for the Period were approximately RMB3.7 million, representing an decrease of approximately 8.2% over the selling expenses of approximately RMB4.0 million for the previous year. The decrease is primarily attributable to a decrease in promotional expenses incurred by the Group in connection with the sales of the hot spring resort and hotel operations.

### ***Administrative Expenses***

The Group's administrative expenses for the Year were approximately RMB21.5 million, representing a decrease of approximately 17.5% over the administrative expenses of approximately RMB26.0 million for the year ended 31 December 2024. The decrease was mainly attributable to the decrease in staff costs and professional fees during the Year.

### ***Taxation***

The Group's tax credit for the Year was approximately RMB4.1 million, representing an increase by approximately 1,044.3% from approximately RMB0.4 million tax credit for the year ended 31 December 2024, which is mainly due to an increase in deferred tax credit, which reflects the fair value losses on investment properties of the Group during the Year.

### ***Net Loss and Net Loss Margin***

The Group's net loss for the Year was approximately RMB62.0 million, representing an increase in loss when compared to the net loss of the Group of approximately RMB50.8 million for the year ended 31 December 2024. Such increase in net loss was primarily attributable to the increase in fair value losses on investment properties and the decrease of penalty charge to the joint operator.

The Group's net loss margin (which is calculated by dividing its net loss for the relevant period by the turnover for the same period) was approximately 116.5%, representing an increase in loss when compared to the net loss margin of the Group of approximately 95.2% for the year ended 31 December 2024. Such increase was mainly due to (i) a increase in fair value losses on investment properties; and (ii) the decrease of penalty charge to the joint operator.

### ***Liquidity and Financial Resources and Capital Structure***

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

As at 31 December 2025, the Group had bank and cash balances of approximately RMB12.5 million which were denominated in RMB and Hong Kong dollars.

There is no outstanding capital commitments of the Group as at 31 December 2025 (2024: Nil).

As at 31 December 2025, the Group had an outstanding bank loan of RMB214.2 million which were denominated in RMB, among which approximately RMB24.94 million were fixed rate borrowings. The annual loan repayment amounted to approximately RMB1.6 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 2025, the Group had an outstanding loan from a related party of RMB7.5 million.

The Group's gearing ratio as at 31 December 2024 and 2025, which was calculated by dividing its total borrowings by its total equity as at those dates, was approximately 1.38 and 1.44, respectively. The Group's gearing ratio as at 31 December 2025 increased because the total capital decreased.

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 2025, an amount of approximately RMB496.2 million (2024: approximately RMB478.1 million) was pledged to certain banks to secure bank facilities granted to the Group.

### ***Significant Investments/Material Acquisitions and Disposals***

Save as disclosed above, the Group had not made any significant investments or material acquisitions and disposals of subsidiaries during the Year.

### ***Litigation and Contingent Liabilities***

As at 31 December 2025, the Group did not have any significant contingent liabilities.

### ***Exposure to Fluctuations in Exchange Rates***

The Group's revenue and costs are primarily denominated in RMB. Some costs may be denominated in 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 2025, the Group had a workforce of 143 full-time employees of whom approximately 95.6% were employed in the PRC and approximately 4.4% in Hong Kong. The Group's staff costs for the years ended 31 December 2024 and 2025 amounted to approximately RMB23.6 million and RMB16.1 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 Year 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 Year, 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.

## **SUPPLEMENTAL INFORMATION REGARDING THE QUALIFIED OPINION**

### **The Company's and Audit Committee's view and position as to the Audit Qualification**

The Audit Committee had critically reviewed the basis of the qualified opinion on the Group's audited consolidated financial statements for the year ended 31 December 2025 and also the management's position and responses of the Group to the Qualified Opinion.

The management of the Company considers the progress solving the audit issues meets the proposed timeline stated in the annual report last year. In July 2025, the Group filed a claim against GD Aoyuan in relation to the unlawful retention of the Group's books and record. In January 2026, the Court's ruling concluded that GD Aoyuan is required to return the books and records in respect of land, employee, construction and accounting records etc of the joint operation to the Group. We can maintain the Group's accounting records regarding the current account with GD Aoyuan with the transaction activities in the Designated Bank Account and reconcile the balances of the amount due from the joint operator. The management of the Company expects sufficient and appropriate audit evidence could be obtained and thus we can resolve the audit limitations. As such, the management of the Company expects that, in the assumption of no material change, the Audit Qualifications might be completely removed from the financial year ended 31 December 2026.

The Audit Committee had critically reviewed the basis of the qualified opinion on the Group's audited consolidated financial statements for the year ended 31 December 2025 and also the management's position and responses of the Group to the Qualified Opinion.

The Audit Committee is of the view that, given the Group could maintain the books and records of the projects of the Joint Operation properly, the Audit Committee expects that the necessary audit evidence can be provided for the audit purpose. The auditor will continue to work with the Company in resolving the Audit Qualification.

## **DIVIDEND**

The Board does not recommend payment of any final dividend in respect of the Year. During the Year, no final dividend was paid (2024: Nil).

## **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 Year.

## **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 period, the Company has complied with the code provisions set out in the CG Code as may be applicable. 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.

## **ANNUAL GENERAL MEETING**

The AGM of the Company will be held in Gudou Hot Spring Resort on Friday, 5 June 2026. Notice of the AGM will be issued and disseminated to Shareholders in due course.

## **EVENTS AFTER THE REPORTING PERIOD**

There is no material event undertaken by the Company or by the Group subsequent to 31 December 2025 and up to the date of this announcement.

## **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. Chan Cheuk Ho, Mr. E Yau Lai and Ms. Zhang Shaomin, and is chaired by Mr. Chan Cheuk Ho. The audit committee has reviewed the annual results of the Group in respect of the Year.

## CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 29 May 2026 to Friday, 5 June 2026 (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, 28 May 2026.

## DEFINITIONS

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

“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 Group Company Limited (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

“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 a wholly-owned subsidiary of the Company
“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
“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
“Occupancy Rate”	Total Occupied Room Nights of a hotel during a period divided by the Total Available Room Nights
“Year”	the year ended 31 December 2025
“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
“%”	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**  
**Han Jim Zhao Ping**  
*Chairman*

Hong Kong, 27 March 2026

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

*This announcement will remain on the GEM website at [www.hkgem.com](http://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](http://www.gudouholdings.com).*