GUDOU HOLDINGS LIMITED
古兜控股有限公司

(incorporated in the Cayman Islands with limited liability)

(stock code: 8308)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET 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.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Note	Six months ended 30 June	
		2026	2025
		RMB'000	*RMB'000*
		(unaudited)	(unaudited)
Revenue	*3*	**8,881**	20,810
Cost of sales		**(13,915)**	(24,919)
Gross loss		**(5,034)**	(4,109)
Other income	*4*	**47**	128
Fair value loss on investment properties		**(8,870)**	(6,840)
Impairment loss under expected credit loss model, net		**(258)**	(971)
Selling expenses		**(730)**	(3,076)
Administrative expenses		**(8,115)**	(11,216)
Loss from operations		**(22,960)**	(26,084)
Finance costs		**(5,713)**	(5,932)
Loss before tax		**(28,673)**	(32,016)
Taxation	*6*	**2,217**	1,380
Loss for the periods		**(26,456)**	(30,636)
Other comprehensive loss for the periods, net of tax			
Items that may be reclassified to profit or loss:			
Currency translation differences		**1,725**	534
Total comprehensive loss for the periods		**(24,731)**	(30,102)

Loss per share

	Note	Six months ended 30 June	
		2026	2025
		RMB cents	*RMB cents*
		(unaudited)	(unaudited)
Basic and diluted loss per share	*8*	**(1.9)**	(2.6)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Note	**As at 30 June 2026** *RMB'000* **(unaudited)**	As at 31 December 2025 *RMB'000* (audited)
Non-current assets			
Property, plant and equipment	*9*	**119,919**	131,372
Right-of-use assets		**9,747**	10,455
Investment properties		**582,530**	591,400
Financial assets at fair value through other comprehensive income		**2,055**	55
Deferred tax assets		**7,148**	7,148
		721,399	740,430
Current assets			
Properties held for sale		**101,506**	101,506
Inventories		**1,962**	1,942
Accounts receivable	*10*	**1,911**	2,501
Prepayments, deposits and other receivables		**14,524**	17,807
Amount due from a joint operator		**64,137**	64,137
Restricted bank balances		**73**	60
Bank and cash balances		**6,433**	12,536
		190,546	200,489
TOTAL ASSETS		**911,945**	940,919
Current liabilities			
Accounts payable	*11*	**57,609**	57,222
Accruals and other payables		**123,305**	122,482
Settlement payable for discharge of the joint operation		**64,137**	64,137
Loan from the joint operator		**15,000**	15,000
Amount due to a director		**9,548**	9,681
Borrowings	*12*	**100,141**	65,500
Lease liabilities		**1,080**	1,047
Current tax liabilities		**66,109**	66,109
Contract liabilities		**38,933**	40,792
		475,862	441,970

	Note	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000 (audited)
Non-current liabilities			
Borrowings	*12*	**113,855**	148,673
Lease liabilities		**4,985**	5,533
Loan from a related party	*15a*	**7,231**	7,504
Deferred tax liabilities		**161,018**	163,235
Deferred income		**9,700**	10,150
		296,789	335,095
TOTAL LIABILITIES		**772,651**	777,065
Capital and reserves			
Share capital		**12,374**	12,374
Reserves		**126,920**	151,480
TOTAL EQUITY		**139,294**	163,854
TOTAL LIABILITIES AND EQUITY		**911,945**	940,919

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Share capital *RMB'000*	Asset revaluation reserve *RMB'000*	Share Premium *RMB'000*	Fair value reserve *RMB'000*	Foreign currency translation reserve *RMB'000*	Share-based payment reserve *RMB'000*	Capital reserve *RMB'000*	Other reserve *RMB'000*	Accumulated loss *RMB'000*	Total equity *RMB'000*
As at 1 January 2026 (Audited)	**12,374**	**68,975**	**153,863**	**(3,386)**	**(7,772)**	**3,140**	**(277)**	**69,528**	**(132,591)**	**163,854**
Comprehensive loss										
Loss for the period	–	–	–	–	–	–	–	–	(26,456)	(26,456)
Other comprehensive loss										
Currency translation differences	–	–	–	–	1,725	–	–	–	–	1,725
Total comprehensive loss for the period	–	–	–	–	1,725	–	–	–	(26,456)	(24,731)
Transaction with Owners										
Share-based payment	–	–	–	–	–	171	–	–	–	171
Total transactions with owners	–	–	–	–	–	171	–	–	–	171
As at 30 June 2026 (Unaudited)	**12,374**	**68,975**	**153,863**	**(3,386)**	**(6,047)**	**3,311**	**(277)**	**69,528**	**(159,047)**	**139,294**

	Share capital	Asset revaluation reserve	Share Premium	Fair value reserve	Foreign currency translation reserve	Share-based payment reserve	Capital reserve	Other reserve	Accumulated loss	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2025 (Audited)	10,131	40,185	135,698	(3,386)	(9,993)	9,528	(277)	69,528	(76,917)	174,497
Comprehensive loss										
Loss for the period	–	–	–	–	–	–	–	–	(30,636)	(30,636)
Other comprehensive loss										
Currency translation differences	–	–	–	–	534	–	–	–	–	534
Total comprehensive loss for the period	–	–	–	–	534	–	–	–	(30,636)	(30,102)
Issue of shares upon exercising share options	932	–	10,250	–	–	–	–	–	–	11,182
Transfer upon lapse of share options	–	–	–	–	–	(7,541)	–	–	7,541	–
Share-based payment	–	–	–	–	–	1,056	–	–	–	1,056
Total transactions with owners	932	–	10,250	–	–	(6,485)	–	–	7,541	12,238
As at 30 June 2025 (Unaudited)	11,063	40,185	145,948	(3,386)	(9,459)	3,043	(277)	69,528	(100,012)	156,633

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six Month ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Net cash generated from/(used in) operating activities	**112**	(6,151)
Net cash used in investing activities	**(2,000)**	(99)
Net cash (used in)/generated from financing activities	**(5,685)**	12,824
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(7,573)**	6,574
Effect of foreign exchange rate changes	**1,470**	302
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	**12,536**	1,450
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**6,433**	8,326
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank and cash balances	**6,433**	8,326

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1 GENERAL INFORMATION

The Company was incorporated on 10 January 2014 in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Clifton House, 75 Fort Street, P.O. Box 1350 Grand Cayman KY1-1108 Cayman Islands. The address of its principal place of business is Gudou Hot Spring Resort Complex, Yamen Town, Xinhui, Jiangmen, Guangdong Province, the PRC (中國廣東省江門市新會區崖門鎮古兜溫泉綜合度假村). The Company's shares are listed on GEM on 9 December 2016.

The Company is an investment holding company. The principal activities of its subsidiaries are 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 statements are presented in RMB, unless otherwise stated.

2 BASIS OF PREPARATION

The unaudited consolidated financial statements of the Group for the Relevant Period have been prepared in accordance with HKFRS Accounting Standards ("HKFRSs") issued by Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosure requirements of the GEM Listing Rules and the Hong Kong Companies Ordinance.

The unaudited consolidated financial statements of the Group for the Period have been prepared under the historical cost convention, as modified by the revaluation of investment properties.

The preparation of the unaudited consolidated financial statements is in conformity with the HKFRSs requirements in the use of certain critical accounting estimates. The HKFRSs also require the management to exercise their judgements in the process of applying the Group's accounting policies.

The unaudited consolidated financial statements for the Relevant Period have not been audited by the Company's independent auditor, but have been reviewed by the Company's audit committee.

The HKICPA has issued a number of new and revised HKFRSs and interpretations that are first effective or available for early adoption for the Period. There have been no significant changes to the accounting policies applied in these financial statements for the current and prior accounting periods presented as a result of these developments.

3 REVENUE

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

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Resort related operation		
Admission income		
– Hot Spring Valley	**1,836**	4,879
Catering income	**504**	796
Conference fee income	**193**	118
Rental income	**1,432**	922
Other service income	**2,413**	1,359
Merchandise sales income	**17**	31
Room revenue	**2,486**	6,106
	8,881	14,211
Tourism properties		
Property sales	**–**	6,599
	8,881	20,810
Timing of revenue recognition		
At a point in time	**3,935**	11,627
Over time	**4,946**	9,183
	8,881	20,810

4 OTHER INCOME

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest income	**1**	1
Gain on disposal of property, plant and equipment	**–**	102
Others	**46**	25
	47	128

5 SEGMENT INFORMATION

The chief operating decision-maker has been identified as the executive directors of the Company, which reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The executive directors of the Company consider the business from service perspectives and assess the performance of the Group which are organised into two main businesses:

Property development	–	Development and sales of properties and provision of properties renovation services in the PRC
Hotel and resort operation	–	Operation of hotels and resort in the PRC and provision of consultancy services and/or management services to leisure hotels and resorts and other hot spring resort operators in the PRC

The executive directors of the Company assesses the performance of the operating segments based on their segment profit before income tax expense. Segment profits or losses do not include fair value gains on investment properties for undetermined use, finance costs, corporate income and expenses.

Based on the business nature, the executive directors of the Company consider the development of the five-star hotel and health regimen facilities either through self-use or lease, include under the hotel and resort operation segment.

(i) **Information about reportable segment profit or loss, assets and liabilities:**

	Hotels and resort operation *RMB'000* **(Unaudited)**	**Property development** *RMB'000* **(Unaudited)**	**Total** *RMB'000* **(Unaudited)**
For the six months ended 30 June 2026			
Segment revenue	**8,881**	**–**	**8,881**
Segment loss	**(12,370)**	**(1,798)**	**(14,168)**
Fair value loss on investment properties for undetermined use			**(5,722)**
Finance costs			**(5,713)**
Unallocated corporate expenses			**(3,070)**
Loss before tax			**(28,673)**
Taxation			**2,217**
Loss for the period			**(26,456)**

	Hotels and resort operation *RMB'000* **(Unaudited)**	**Property development** *RMB'000* **(Unaudited)**	**Total** *RMB'000* **(Unaudited)**
As at 30 June 2026			
ASSETS			
Segment assets	**342,744**	**174,078**	**516,822**
Unallocated assets			**395,123**
Consolidated total assets			**911,945**
LIABILITIES			
Segment liabilities	**134,831**	**196,697**	**331,528**
Unallocated liabilities			**441,123**
Consolidated total liabilities			**772,651**

	Hotels and resort operation *RMB'000* (Unaudited)	Property development *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
For the six months ended 30 June 2025			
Segment revenue	14,211	6,599	20,810
Segment loss	(14,744)	(3,227)	(17,971)
Fair value loss on investment properties for undetermined use			(4,760)
Finance costs			(5,932)
Unallocated corporate expenses			(3,353)
Loss before tax			(32,016)
Taxation			1,380
Loss for the period			(30,636)

	Hotels and resort operation *RMB'000* (Audited)	Property development *RMB'000* (Audited)	Total *RMB'000* (Audited)
As at 31 December 2025			
ASSETS			
Segment assets	361,009	174,154	535,163
Unallocated assets			405,756
Consolidated total assets			940,919
LIABILITIES			
Segment liabilities	93,280	240,268	333,548
Unallocated liabilities			443,517
Consolidated total liabilities			777,065

(ii) Geographical information:

All the revenue and non-current assets are based in the PRC for the six months ended 30 June 2026 (the six months ended 30 June 2025: Same).

(iii) Revenue from major customers:

The revenue from the Group's largest customer amounted to RMB1.2 million or 13.9% (six months ended 30 June 2025: RMB3.6 million or 17.4%) of the Group's total turnover for the six month ended 30 June 2026.

6 TAXATION

For the six months ended 30 June 2026, no provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong (six months ended 30 June 2025: Nil). The Group's subsidiaries in the PRC are subject to the PRC enterprise income tax at a rate of 25% on estimated assessable profits.

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax		
PRC enterprise income tax	**–**	–
Land appreciation tax	**–**	330
	–	330
Deferred tax	**(2,217)**	(1,710)
	(2,217)	(1,380)

7 DIVIDEND

No dividend was paid or declared by the Company during the six months ended 30 June 2026, nor has any dividend been proposed since the end of the reporting period (six months ended 30 June 2025: Nil).

8 LOSS PER SHARE

Basic

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

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Loss attributable to owners of the Company *(RMB'000)*	**(26,456)**	(30,636)
Weighted average number of ordinary shares in issue *('000) (Note)*	**1,388,801**	1,201,274
Basic loss per share *(RMB cents)*	**(1.9)**	(2.6)

Note:

For the six months ended 30 June 2026 and 2025, the diluted loss per share were equal to the basic loss per share because the Company was in loss position.

9 PROPERTY, PLANT AND EQUIPMENT

	RMB'000
Cost	
As at 31 December 2025 (audited)	448,074
Exchange differences	(8)
As at 30 June 2026 (unaudited)	448,066
Accumulated depreciation	
As at 31 December 2025 (audited)	316,702
Additions	11,482
Exchange differences	(37)
As at 30 June 2026 (unaudited)	328,147
Carrying amount	
As at 30 June 2026 (unaudited)	119,919
As at 31 December 2025 (audited)	131,372

10 ACCOUNTS RECEIVABLE

	As at 30 June 2026 *RMB'000* (Unaudited)	As at 31 December 2025 *RMB'000* (Audited)
Accounts receivable	**7,282**	7,614
Less: allowance for impairment	**(5,371)**	(5,113)
Accounts receivable, net	**1,911**	2,501

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

	As at 30 June 2026 *RMB'000* (Unaudited)	As at 31 December 2025 *RMB'000* (Audited)
Up to 30 days	**1,014**	358
31 to 60 days	**71**	228
61 to 90 days	**128**	163
Over 90 days	**6,069**	6,865
	7,282	7,614

11 ACCOUNTS PAYABLE

The aging analysis of the Group's accounts payable, based on the date of receipt of goods or services rendered, is as follows:

	As at 30 June 2026 *RMB'000* (Unaudited)	As at 31 December 2025 *RMB'000* (Audited)
Up to 90 days	**1,175**	1,278
91 to 180 days	**966**	1,104
181 to 365 days	**2,180**	2,222
Over 1 year	**53,288**	52,618
	57,609	57,222

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

12 BORROWINGS

	As at 30 June 2026 *RMB'000* (Unaudited)	As at 31 December 2025 *RMB'000* (Audited)
Bank loans	**213,996**	214,173
	213,996	214,173

The borrowings are repayable as follows:

	As at 30 June 2026 *RMB'000* (Unaudited)	As at 31 December 2025 *RMB'000* (Audited)
Within one year	**100,141**	65,500
Between one and two years	**34,705**	69,493
Between two and five years	**79,150**	79,180
	213,996	214,173
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(100,141)**	(65,500)
Amount due for settlement after 12 months	**113,855**	148,673

13 LEASE COMMITMENTS

Operating lease commitments – lessor

The Group's total future minimum lease receivables under non-cancelable operating leases are as follows:

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within one year	**3,491**	4,406
One to two years	**3,426**	4,307
Two to three years	**3,402**	4,300
Three to four years	**3,555**	4,395
Four to five years	**3,659**	4,399
More than five years	**14,690**	17,954
	32,223	39,761

Operating lease receivables represent stall rental receivable. Leases are negotiated for an average term of 2 to 15 years and rental are fixed over the lease terms and do not include contingent rentals.

14 FINANCIAL GUARANTEES AND CONTINGENT LIABILITIES

Guarantees on mortgage facilities

The Group had the following contingent liabilities in respect of financial guarantees on mortgage facilities at the end of each of the following reporting periods:

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Guarantees in respect of mortgage facilities for certain purchasers of the Group's properties	**907**	1,291

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

Pursuant to the terms of the guarantees, upon default of mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principal together with accrued interest and penalties owed by the defaulting purchasers to the banks and the Group is entitled to retain the legal title and take over the possession of the related properties. The Group's guarantee period starts from the date of grant of mortgage. The directors consider that the financial guarantee measured at fair value is immaterial and no liabilities was recognised.

15 MATERIAL RELATED PARTIES TRANSACTIONS

Related parties are those parties that have the ability to control the other party or exercise significant influence in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

As at 30 June 2026, the major shareholders of the Company are JYH Hong Kong Limited and New Ray Developments Limited and Sky Success Ventures Limited, which owned 27.23% and 17.68% of the Company's issued shares respectively.

The ultimate holding company of the Group is JYH Hong Kong Limited, incorporated in Hong Kong, which is fully controlled by Mr. Han Jim Zhao Ping.

During the year ended 30 June 2026, First-Profit Time Limited, which is fully controlled by Mrs. Hon, made available loans in the sum of RMB7,231,000, equivalents to HK8,350,000 (31 December 2025: RMB7,504,000) to the Group with interest at HIBOR+2.5% per annum.

The following is a summary of the significant transactions carried out between the Group and its related parties in the ordinary course of business during the year ended 30 June 2026.

(a) Balances with related parties

The following transactions were carried out with related parties at terms mutually agreed by both parties:

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Loan from a related party	**7,231**	7,504

(b) Compensation of key management personnel of the Group:

	Six months ended 30 June	
	2026 *RMB'000* **(Unaudited)**	2025 *RMB'000* (Unaudited)
Salaries, bonus and allowances	**992**	830
Pension costs		
– defined contribution plans	**26**	39
Share-based payment	**123**	785
	1,141	1,654

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 30 June 2026. These business objectives are in place with a view to generating long-term value to the Company and the Shareholders.

Business Objectives	**Actual Business Progress up to 30 June 2026**
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 policy, 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.
2. Plan to expand the tourism property development business of the Group	To prepare for the expansion of the tourism property development business, the Group has adopted standardised development procedures so as to achieve a more efficient use of capital and other resources, and to complete new tourism property projects in a timely manner while maintaining an effective control over costs. The Directors expect the sales of Gudou Yishui Mingting Apartments and Guanshanyue Apartments to be continued in the second half year of 2026 and properties to be delivered to its customers from 2026 onwards.

Business Objectives	Actual Business Progress up to 30 June 2026
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 its tourism property development business.

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 its 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 developments 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 its hot spring involves the 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, the Group's property portfolio and future profitability can 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 development or 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 its qualification certificates and relevant PRC government approvals. This allows the Group to ensure that it 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 thinks that 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.

MANAGEMENT DISCUSSION AND ANALYSIS

Business review

The Group is principally engaged in (i) the operation and management of Gudou Hot Spring Resort and provision of consultancy and/or management services to third-party resort and hotel operators; and (ii) the development and sale of tourism properties in Guangdong Province.

For the six months ended 30 June 2026, revenue of the Group was approximately RMB8.9 million, representing a decrease of 57.3% compared to the corresponding period in 2025 (six months ended 30 June 2025: RMB20.8 million). Loss for the six months ended 30 June 2026 amounted to approximately RMB26.5 million (loss for the six months ended 30 June 2025: RMB30.6 million).

Hot Spring Resort and Hotel Operations

Due to the continued decline in consumer spending appetite, the performance of the Group's hotel and resort business operations remained sluggish during the period. The Group's turnover derived from hot spring resort and hotel operations decreased by approximately 37.5% to approximately RMB8.9 million when compared to the corresponding period of previous year. During the Period, the Group recorded a decrease in revenue generated from admission fees to approximately RMB1.8 million, representing a decrease of approximately 62.4% compared to that of 2025. The Room Revenue generated from the Group's themed hotel complexes decreased by approximately 59.3% to approximately RMB2.5 million for the six months ended 30 June 2026 compared to that for 2025. The Occupancy Rate of the Group's themed hotel complexes decreased from approximately 20% for the six months ended 30 June 2025 to approximately 16% for the six months ended 30 June 2026. The average room rate of the Group's hotel complexes increased from approximately RMB261 for the six months ended 30 June 2025 to approximately RMB336 for the six months ended 30 June 2026.

Tourism Property Development

The Group did not conduct any sale of tourism property for the six months ended 30 June 2026. Revenue from the tourism property development business was approximately RMB6.6 million for the six months ended 30 June 2025. Such decrease was mainly attributable to continuing low demand in general real estate market environment during the Period. We expect the sales and delivery of Guanshanyue Apartments to continue in the second half of 2026.

Financial review

Revenue

For the Period, the Group recorded revenue of approximately RMB8.9 million (corresponding period in 2025: approximately RMB20.8 million), representing a decrease of approximately 57.3% when compared with the corresponding period in 2025. The decrease in turnover was primarily attributable to the drop in revenue generated from the Group's tourism property development business. The Group did not record turnover from the tourism property development during the Period. For the six months ended 30 June 2025, the Group's revenue from the tourism property development was approximately RMB6.6 million.

The Group's revenue generated from hot spring resort and hotel operations reduced by approximately 37.5% to approximately RMB8.9 million, primarily attributable to decrease in admission income and room revenue.

Cost of Sales

The Group's cost of sales for the Period was approximately RMB13.9 million, representing a decrease of approximately 44.2% from approximately RMB24.9 million for the six months ended 30 June 2025.

Such decrease was primarily due to decrease in costs of sales of the Group's tourism property development, primarily because the Group did not conduct any sale of tourism property in 2026. In addition, depreciation and other hotel operating costs also decreased during the period.

Gross Loss and Gross Loss Margin

The Group's gross loss amounted to approximately RMB5.0 million for the Period, representing an increase of approximately RMB0.9 million or 22.5% from approximately RMB4.1 million for the corresponding period of last year, which was mainly the due to decrease of sales generated during the period.

The Group's gross loss margin for the Period increased by approximately 36.9% to approximately 56.7% as compared to approximately 19.7% for the same period of last year. Such increase in the Group's gross loss margin for the Period was primarily reflected the absence of revenue generated from tourism property development which had a higher gross profit margin than that of hot spring resorts and hotel operations.

Loss Before Tax

The Group's loss before tax amounted to approximately RMB28.7 million for the Period, representing a decrease of approximately 10.4% from approximately RMB32.0 million for the same period of last year, was mainly attributable to the decrease in selling expenses and administrative expenses during the Period.

Taxation

The Group's income tax credit for the Period were approximately RMB2.2 million, representing an increase by approximately RMB0.8 million from approximately RMB1.4 million tax credit for the six months ended 30 June 2025, 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 Period.

Net Loss

The Group's loss for the Period decreased by approximately RMB4.2 million, or 13.6% to approximately RMB26.5 million for the six months ended 30 June 2026 as compared to approximately RMB30.6 million for the same period of last year. Such decrease in net loss was primarily attributable to the decrease in selling expenses and administrative expenses during the Period.

Liquidity and Financial Resources and Capital Structure

During the Period, the Group's operations were funded by a combination of internally generated cash flows and bank borrowings. As at 30 June 2026, the Group had bank and cash balances of approximately RMB6.4 million which were denominated in RMB and HK dollars.

There is no outstanding commitments of the Group as at 30 June 2026 (31 December 2025: Nil).

As at 30 June 2026, the Group had outstanding bank loans of approximately RMB214.0 million which were denominated in RMB and among which approximately RMB24.9 million were fixed rate borrowings. The Group repaid bank loans of approximately RMB0.2 million, which was in line with the Group's repayment schedule. The maturities of borrowings are disclosed in note 12 to the unaudited condensed consolidated financial information of the Group. The proceeds from the borrowings were primarily used for capital expenditure, working capital and operating expenses. As at 30 June 2026, the Group had an outstanding loan from a related party of approximately RMB7.2 million.

The Group's gearing ratio as at 31 December 2025 and 30 June 2026, which was calculated by dividing its total borrowings by its total equity as at those dates, was approximately 1.44 and 1.70 respectively. The gearing ratio as at 30 June 2026 increased primarily attributable to the decrease in the total equity.

The Group remains committed to a high degree of financial control, a prudent risk management and the effective utilisation of financial resources. In order to achieve better cost control and minimise 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 30 June 2026, an amount of approximately RMB487.7 million (31 December 2025: approximately RMB496.2 million) was pledged to banks to secure bank facilities granted to the Group.

Significant Investments/Material Acquisitions and Disposals

The Group had not made any significant investments or material acquisitions and disposals of subsidiaries during the Period. As at 30 June 2026, the Group has no concrete plans for material investments or capital assets.

Contingent Liabilities

As at 30 June 2026, 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 HK 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 30 June 2026, the Group had a workforce of 117 full-time employees (including the Directors) of whom approximately 92% were employed in the PRC and approximately 8% in Hong Kong. The Group's staff costs for the six months ended 30 June 2025 and 2026 amounted to approximately RMB8.4 million and RMB7.0 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. The Group's employees in Hong Kong are required to participate in the Mandatory Provident Fund scheme under which we are 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 subsidiary, 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 the Group's service, all the new hotel staff are required to attend a three-day hospitality pre-job training. The Group also provides hospitality training to the hotel staff on a monthly basis. The Group provides the employees with work safety training to enhance their safety awareness.

The Group generally recruit its employees from the open market. The Group formulate its recruitment policy based on market conditions, business demands and expansion plans. The Group offers different remuneration package to the staff based on their position. In general, the Group pays basic salary and incentive, based on years of service, to all of its employees. The Group's sales personnel and service personnel will also receive additional pay based on their individual skills and performance. The Group also strive to maintain diversity of gender in its workforce as part of its effort to contribute to gender equality and discharge its social responsibilities. As at 30 June 2026, the Group has approximately 55 male employees and approximately 62 female employees.

RESERVES

Movements in the reserves of the Group for the six months ended 30 June 2026 are set out in the unaudited condensed consolidated statement of changes in equity set out above.

DIVIDENDS

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2026. During the six months ended 30 June 2026, no interim dividend was paid or declared, nor has any dividend been proposed since the end of the reporting period (six months ended 30 June 2025: Nil).

BUSINESS PROSPECT

Prospect

The Group's hospitality and resort division continued to navigate a challenging market environment in 2026. 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. The Board will seek further changes and suitable investment opportunities, particularly in the direction of wellness and health-related industries, to ensure steady business growth and deliver reasonable long-term returns to shareholders.

CODE OF CONDUCT REGARDING DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry with all Directors, all Directors confirmed that they have complied with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company throughout the Period.

COMPETING INTERESTS

None of the Directors or controlling shareholders of the Company and their respective close associates (as defined in the GEM Listing Rules) had any interest in a business which competed or might compete with the business of the Group or had any other conflict of interest with the Group during the six months ended 30 June 2026.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company (not being a contract of service with any Director of the Company or any person engaged in the full-time employment of the Company) was entered into or was subsisting during the six months ended 30 June 2026.

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.

SHARE OPTION SCHEME

The Company conditionally adopted the Share Option Scheme on 18 November 2016 which became unconditional upon Listing for a period of 10 years from 9 December 2016.

On 20 June 2022, 27 June 2024 and 17 April 2026, the Company granted options under the Share Option Scheme. Details of the movement of the share options granted during the Period are as follows:

Grantees	Date of grant	Exercise price per share *HK$*	Exercise period	Number of share options: Balance at 1 January 2026	Granted during the period	Exercised during the period	Cancelled/ lapsed during the period	Balance as at 30 June 2026
Directors								
Mr. Han Jim Zhao Ping	17 April 2026	0.057 *(Note 3)*	19 April 2027 to 16 April 2034	–	13,888,000	–	–	13,888,000
Mr. Jiang Guowei	17 April 2026	0.057 *(Note 3)*	19 April 2027 to 16 April 2034	–	13,888,000	–	–	13,888,000
Mr. Wu Weibin	17 April 2026	0.057 *(Note 3)*	19 April 2027 to 16 April 2034	–	13,888,000	–	–	13,888,000
Mr Wang Jun	20 June 2022	0.1742 *(Note 1)*	20/06/2022-17/11/2026	–	–	–	–	
	27 June 2024	0.1 *(Note 2)*	27/6/2025-26/6/2032	5,500,000	–	–	–	
	17 April 2026	0.057 *(Note 3)*	19 April 2027 to 16 April 2034	–	2,210,000	–	–	7,710,000
Mr. Chan Cheuk Ho	27 June 2024	0.1 *(Note 2)*	27/6/2025-26/6/2032	2,000,000	–	–	–	2,000,000
Ms. Zhang Shaomin	27 June 2024	0.1 *(Note 2)*	27/6/2025-26/6/2032	2,000,000	–	–	–	2,000,000
				9,500,000	43,874,000	–	–	53,374,000
Employee in aggregate	20 June 2022	0.1742 *(Note 1)*	20/06/2022-17/11/2026	9,717,400	–	–	–	
	27 June 2024	0.1 *(Note 2)*	27/6/2025-26/6/2032	16,600,000	–	–	–	
	17 April 2026	0.057 *(Note 3)*	19 April 2027 to 16 April 2034	–	18,308,000	–	–	44,625,400
				35,817,400	62,182,000	–	–	97,999,400

Notes:

1. The average closing price per Share for five trading days immediately preceding the date of grant (i.e. as of 20 June 2022) was HK$0.1742.

2. The closing price per Share as quoted on the Stock Exchange on the date of grant (i.e. as of 27 June 2024) was HK$0.103.

3. The average closing price per Share for five trading days immediately preceding the date of grant (i.e. as of 17 April 2026) was HK$0.057.

4. Save as disclosed in the above table, no options were granted, exercised, forfeited and expired during the period covered by the above table.

5. The fair value of Options estimated at the date of grant using the binomial option pricing model was approximately HK$1.5 million (equivalent to approximately HK$0.06 each).

6. The significant inputs into the model were closing Share price of HK$0.057 at the grant date, exercise price shown above, volatility of 74.17%, dividend yield of 0%, annual risk-free interest rate of 2.98% and exercise multiples of 2.8 or 2.2. The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices of the Company. The total expenses recognised in the unaudited consolidated statement of comprehensive income for the six months ended 30 June 2026 amounted to approximately RMB0.2 million.

7. The variables and assumptions used in computing the fair value of the share options are based on Directors' best estimate. Change in variables and assumptions may result in changes in fair value of the Options.

8. The Options available for grant under the scheme mandate at the beginning and the end of the Period was 62,182,600 and 600 Options respectively, and there was no service provider sublimit set.

IMPORTANT EVENTS AFTER THE END OF FINANCIAL PERIOD

There were no important events affecting the Company's business operations in material aspects after the end of financial period up to the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's securities during the six months ended 30 June 2026.

AUDIT COMMITTEE

The audit committee of the Company has reviewed this announcement and the Group's unaudited condensed consolidated financial results for the six months ended 30 June 2026, and is of the opinion that the preparation of such results complied with applicable accounting standards and that adequate disclosure has been made in respect thereof.

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

"associate(s)"	has the meaning as ascribed thereto under the GEM Listing Rules
"Board"	the board of Directors
"CG Code"	Corporate Governance Code as set out in Appendix 15 of the GEM Listing Rules
"close associate"	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 our Company
"First Cooperation Agreement"	a cooperation and development agreement dated 16 July 2019 and entered into between Guangdong Gudou and GD Aoyuan, the details of which are set out in the announcement of the Company dated 16 July 2019 and the circular of the Company dated 2 September 2019
"GEM"	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
"GD Aoyuan"	Guangdong Aoyuan Co., Ltd.* (奧園集團(廣東)有限公司), a company established under the laws of the PRC and an indirect wholly-owned subsidiary of China Aoyuan Group Limited
"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 under the laws of the PRC and an indirect wholly-owned subsidiary of the Company
"Guanshanyue Apartments"	Guanshanyue Apartments* (觀山悅公館), also known as Gudou Phase II Apartments* (古兜二期公寓), a tourism property project under development jointly developed by Guangdong Gudou and GD Aoyuan at Gudou Hot Spring Resort under the First Cooperation Agreement
"Gudou Hot Spring Resort"	Gudou Hot Spring Resort* (古兜溫泉綜合度假村), the hot spring resort located at Jiangmen City, Guangdong Province, the PRC and operated by the Group
"Gudou Yishui Mingting Apartments"	Gudou Yishui Mingting Apartments* (古兜依水茗亭), also known as Yunfeng Apartments* (雲峰公寓), a tourism property project under development jointly developed by Guangdong Gudou and GD Aoyuan at Gudou Hot Spring Resort under the First Cooperation Agreement
"HK$" or "HK dollar(s)" and "cents"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Listing"	the listing of the Shares on GEM on 9 December 2016
"Mr. Hon"	Mr. Hon Chi Ming, founder, co-chairman and an executive Director of the Company
"Mrs. Hon"	Ms. Li Wai Ling, the spouse of Mr. Hon
"Occupancy Rate"	Total Occupied Room Nights of a hotel during a period divided by the Total Available Room Nights
"Period"	the six months ended 30 June 2026
"PRC"	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 and Taiwan
"Prospectus"	the prospectus of the Company dated 30 November 2016 issued in connection with the Listing
"RMB"	Renminbi, the lawful currency of the PRC
"Room Revenue"	revenue generated from room rates (including related service charges) of the themed hotel complexes in the Gudou Hot Spring Resort
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of our Company
"Shareholder(s)"	holder(s) of the Shares
"Share Option Scheme"	share option scheme conditionally approved and adopted by the Company on 18 November 2016
"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.

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

By order of the Board
Gudou Holdings Limited
Han Jim Zhao Ping
Chairman and Executive Director

Hong Kong, 21 August 2026

As at the date of this announcement, the executive Directors are Mr. Han Jim Zhao Ping, Mr. Hon Chi Ming, Mr. Jiang Guowei, Mr. Wang Jun and Mr. Wu Weibin, the non-executive Director is Mr. 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 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.