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Orange Tour Cultural Holding Limited
旅橙文化控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8627

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2021

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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 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 Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, for which the directors (the “**Directors**”) of Orange Tour Cultural Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (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 this announcement misleading.*

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and six months ended 30 June 2021

The unaudited condensed consolidated results of the Group for the three months and six months ended 30 June 2021, together with the unaudited comparative figures for the corresponding periods in 2020, are as follows:

	NOTES	Three months ended 30 June		Six months ended 30 June	
		2021 RMB'000 (unaudited)	2020 RMB'000 (unaudited)	2021 RMB'000 (unaudited)	2020 RMB'000 (unaudited)
Revenue	3	10,391	3,280	15,187	5,289
Other income	3	73	53	175	95
Project costs		(4,396)	(1,120)	(5,970)	(1,922)
Depreciation		(134)	(30)	(151)	(104)
Employee benefits expense		(2,489)	(2,334)	(4,934)	(4,847)
(Provision)/reversal for expected credit loss on trade receivables, net		(133)	282	232	710
Other operating expenses		(1,257)	(484)	(1,453)	(1,618)
Finance costs	4	–	(1)	–	(3)
Profit/(loss) before income tax	5	2,055	(354)	3,086	(2,400)
Income tax (expense)/credit	6	(773)	(10)	(1,225)	275
Profit/(loss) for the period attributable to the owners of the Company		1,282	(364)	1,861	(2,125)
Other comprehensive income					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Exchange differences arising on translation		15	101	19	48
Total comprehensive income/(loss) attributable to the owners of the Company		1,297	(263)	1,880	(2,077)
Earnings/(loss) per share attributable to the owners of the Company					
– Basic and diluted (<i>RMB cents</i>)	8	0.16	(0.05)	0.23	(0.27)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

		30 June 2021 <i>RMB'000</i> (unaudited)	31 December 2020 <i>RMB'000</i> (audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	9	838	989
Deferred tax assets		135	193
		973	1,182
Current assets			
Trade and other receivables	10	12,160	23,197
Tax recoverable		756	943
Time deposit		–	35,000
Bank balances and cash		90,724	43,494
		103,640	102,634
Current liabilities			
Trade and other payables	11	12,104	13,187
Net current assets		91,536	89,447
Net assets		92,509	90,629
CAPITAL AND RESERVES			
Share capital	12	5,616	5,616
Reserves		86,893	85,013
Total equity		92,509	90,629

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021

	Share capital <i>RMB'000</i> (Note (12))	Share premium <i>RMB'000</i>	Statutory reserve <i>RMB'000</i>	Translation reserve <i>RMB'000</i>	Other reserve <i>RMB'000</i>	Retained earnings <i>RMB'000</i>	Total equity <i>RMB'000</i>
Balance at 1 January 2020 (audited)	5,616	34,420	5,629	(817)	26,412	21,283	92,543
Loss for the period	-	-	-	-	-	(2,125)	(2,125)
Exchange differences arising on translation	-	-	-	48	-	-	48
Total comprehensive loss for the period	-	-	-	48	-	(2,125)	(2,077)
Balance at 30 June 2020 (unaudited)	<u>5,616</u>	<u>34,420</u>	<u>5,629</u>	<u>(769)</u>	<u>26,412</u>	<u>19,158</u>	<u>90,466</u>
Balance at 1 January 2021 (audited)	5,616	34,420	5,921	(919)	26,412	19,179	90,629
Profit for the period	-	-	-	-	-	1,861	1,861
Exchange difference arising on transaction	-	-	-	19	-	-	19
Total comprehensive profit for the period	-	-	-	19	-	1,861	1,880
Balance at 30 June 2021 (unaudited)	<u>5,616</u>	<u>34,420</u>	<u>5,921</u>	<u>(900)</u>	<u>26,412</u>	<u>21,040</u>	<u>92,509</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021

	Unaudited	
	Six months ended	
	30 June	30 June
	2021	2020
	RMB'000	RMB'000
Operating activities		
Cash generated from operation	13,108	18,908
Income tax paid	(981)	(5,177)
	12,127	13,731
Investing activities		
Interest received	441	95
Fund advance to an associate	(323)	–
Acquisition of property, plant and equipment	–	(4)
Decrease/(increase) in time deposit	35,000	(5,000)
	35,118	(4,909)
Financing activities		
Payment of lease liabilities	–	(60)
	–	(60)
Net increase in cash and cash equivalents	47,245	8,762
Cash and cash equivalents at 1 January	43,494	37,466
Effect of foreign exchange rate changes	(15)	42
	90,724	46,270
Cash and cash equivalents at end of the year	90,724	46,270
Analysis of cash and cash equivalents		
Bank balances and cash	90,724	46,270

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION AND BASIS OF PRESENTATION

The Company is a limited liability company incorporated in the Cayman Islands on 13 April 2018. The registered address of the Company is Sertus Chambers, Governors Square, Suite 5-204, 23 Lime Tree Bay Avenue, P.O. Box 2547, Grand Cayman, KY1-1104, Cayman Islands. The principal place of business of the Company is Composite Building, Xiazhang Village, Yicheng Subdistrict, Yixing City, Wuxi City, Jiangsu Province, the People's Republic of China (the "PRC"). The Company's shares are listed on GEM of the Stock Exchange (the "Listing") since 14 November 2019 (the "Listing Date").

The Company is an investment holding company. The Group is principally engaged in the provision of event management services and design and production services.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2021 have been prepared in accordance with the accounting principles generally accepted in Hong Kong and comply with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules.

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements for the six months ended 30 June 2021 are consistent with those adopted in the Group's 2020 audited annual report dated 25 March 2021, except for the adoption of the new and revised Hong Kong Financial Reporting Standards (the "New and Revised HKFRSs") (which include all HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the HKICPA that are adopted for the first time for the current periods financial statements.

The adoption of the New and Revised HKFRSs has had no significant effect on these unaudited condensed consolidated financial statements for the six months ended 30 June 2021 and there have been no significant changes to the accounting policies applied in these unaudited condensed consolidated financial statements for the six months ended 30 June 2021.

The Group has not applied new and revised standards, amendments or interpretations that have been issued but are not yet effective. The Group is currently assessing the impact of the adoption of such new and revised standards, amendments or interpretations to the Group but is yet to be in a position to state whether they would have any material financial impact on the Group's results of operations and financial position.

The unaudited condensed consolidated financial statements has been prepared on historical cost basis. The unaudited condensed consolidated financial statements is presented in Renminbi ("RMB"), which is different from Hong Kong dollars ("HK\$"), the functional currency of the Company. All values are rounded to the nearest thousand except when otherwise indicated.

The unaudited condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2020.

The unaudited condensed consolidated financial statements have not been audited by the Company's auditor, but have been reviewed by the audit committee of the Company (the "Audit Committee").

3. REVENUE, OTHER INCOME AND SEGMENT INFORMATION

All revenue are recognised at a point in time. An analysis of the Group's revenue for the three months and six months ended 30 June 2021 are as follows:

Revenue and other income

	Three months ended 30 June		Six months ended 30 June	
	2021	2020	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<i>By types of services</i>	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Event management services	4,225	1,780	4,846	2,786
Design and production services	6,166	1,500	10,341	2,503
	<u>10,391</u>	<u>3,280</u>	<u>15,187</u>	<u>5,289</u>
Other income				
Interest income	<u>73</u>	<u>53</u>	<u>175</u>	<u>95</u>

Operating segment

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is defined on the basis of the internal management reporting information that is provided to and regularly reviewed by the executive directors, who are the chief operating decision makers, in order to allocate resources and assess performance of the segment. During the period, executive directors of the Company regularly review the consolidated financial position, revenue from provision of event management services and design and production services and results of the Group for the purposes of allocating resources and assessing performance of the Group as a whole.

Therefore, the directors of the Company consider the Group has one single operating segment during the period which is provision of event management services and design and production services.

4. FINANCE COSTS

	Three months ended 30 June		Six months ended 30 June	
	2021	2020	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Interest expense for lease arrangements	–	1	–	3
	<u>–</u>	<u>1</u>	<u>–</u>	<u>3</u>

5. PROFIT/(LOSS) BEFORE INCOME TAX

Profit/(loss) before income tax is arrived at after charging:

	Three months ended 30 June		Six months ended 30 June	
	2021	2020	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Expense relating to short-term lease	70	42	100	84
Project costs	4,396	1,120	5,970	1,922
Employee benefits expense (including directors' emoluments)				
– Salaries, allowances and benefits in kind	1,882	1,868	4,055	4,140
– Retirement benefit scheme contributions	607	466	879	707
	<u>2,489</u>	<u>2,334</u>	<u>4,934</u>	<u>4,847</u>

6. INCOME TAX EXPENSE/(CREDIT)

	Three months ended 30 June		Six months ended 30 June	
	2021	2020	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Current tax:				
The PRC Enterprise Income Tax	806	–	1,167	–
Deferred taxation (credit) /expense	(33)	10	58	(275)
	773	10	1,225	(275)

The Company and its subsidiary incorporated in the Cayman Islands and the British Virgin Islands are not subject to any income tax pursuant to the rules and regulations of their respective countries of incorporation.

PRC Enterprise Income Tax is calculated at 25% of the estimated assessable profits of the Company's subsidiaries established in the PRC for the six months ended 30 June 2021 and 2020.

No provision for Hong Kong Profits Tax has been made for the six months ended 30 June 2021 and 2020 as the Group did not have any assessable profits arising in Hong Kong.

The Group has no material deferred tax not provided in the condensed consolidated financial statements as there were no material temporary differences at the end of the reporting period.

7. DIVIDEND

The board of Directors (the “**Board**”) does not recommend the payment of any dividend for the six months ended 30 June 2021 (2020: Nil).

8. EARNINGS/(LOSS) PER SHARE

The calculation of the basic earnings/(loss) per share is based on the following data:

	Three months ended 30 June		Six months ended 30 June	
	2021	2020	2021	2020
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Earnings/(loss):				
Earnings/(loss) for the period attributable to ordinary equity holders of the Company (RMB'000)	<u>1,282</u>	<u>(364)</u>	<u>1,861</u>	<u>(2,125)</u>
Number of shares:				
Weighted average number of ordinary shares for purpose of calculating basic earnings per share ('000)	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>

The weighted average number of ordinary shares for the purpose of calculating basic earnings per share for the six months ended 30 June 2020 and 2021 was derived from the number of ordinary shares in issue during the period.

No separate diluted earnings/(loss) per share information has been presented as there were no potential ordinary shares outstanding issued for the six months ended 30 June 2021 and 2020.

9. PROPERTY, PLANT AND EQUIPMENT

For the six months ended 30 June 2021, the Group did not acquired any property, plant and equipment (2020: approximately RMB197,000).

10. TRADE AND OTHER RECEIVABLES

	At 30 June 2021 <i>RMB'000</i> (unaudited)	At 31 December 2020 <i>RMB'000</i> (audited)
Trade receivables, at cost	9,616	13,651
Less: Provision for expected credit loss	<u>(547)</u>	<u>(779)</u>
Trade receivables, net	9,069	12,872
Prepayments	275	277
Trade prepayments	1,239	5,859
Amount due from an associate	321	–
Deposit and other receivables	<u>1,256</u>	<u>4,189</u>
	<u><u>12,160</u></u>	<u><u>23,197</u></u>

The credit period for trade receivables is up to 90 days (2020: 90 days) from the invoice date for the year.

The ageing analysis of the trade receivables based on invoice date, net of provision for expected credit loss, is as follows:

	At 30 June 2021 <i>RMB'000</i> (unaudited)	At 31 December 2020 <i>RMB'000</i> (audited)
Within 1 month	765	7,308
Over 1 month but within 3 months	2,778	1,136
Over 3 months but within 6 months	3,559	833
Over 6 months but within 1 year	1,967	1,000
Over 1 year	<u>–</u>	<u>2,595</u>
	<u><u>9,069</u></u>	<u><u>12,872</u></u>

11. TRADE AND OTHER PAYABLES

	At 30 June 2021 <i>RMB'000</i> (unaudited)	At 31 December 2020 <i>RMB'000</i> (audited)
Trade payables	1,293	871
Accruals and other payable	10,115	11,329
Other tax payables	314	586
Contract liabilities	382	401
	<u>12,104</u>	<u>13,187</u>

The credit period granted by suppliers of the Group is ranging from 30 to 120 days (2020: 30 to 120 days) for the year. The ageing analysis of the trade payables based on invoice date is as follows:

	At 30 June 2021 <i>RMB'000</i> (unaudited)	At 31 December 2020 <i>RMB'000</i> (audited)
Within 1 month	205	800
Over 1 month but less than 3 months	481	–
Over 3 months but less than 1 year	473	–
Over 1 year	134	71
	<u>1,293</u>	<u>871</u>

12. SHARE CAPITAL

	Number of ordinary shares during the period/year	Amount <i>RMB'000</i>
Ordinary shares of US\$0.001 each		
Authorised:		
As at 31 December 2020 and 30 June 2021	2,000,000,000	14,158
Issued and fully paid:		
As at 31 December 2020 and 30 June 2021	800,000,000	5,616

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Group is a marketing services company headquartered in Yixing of the PRC with a principal focus on the provision of (i) event management services; and (ii) design and production services. Having commenced its business under its predecessor, the Group has accumulated over 14 years of experience in the provision of marketing services. Over the years, the Group has developed well-established relationships with customers from governmental and commercial sectors in the PRC.

The Group recorded a net profit of approximately RMB1.9 million for the six months ended 30 June 2021 as compared with a net loss of approximately RMB2.1 million for the six months ended 30 June 2020. The increase in the net profit was primarily attributable to the increase in revenue for the six months ended 30 June 2021 as comparing with the same period in 2020, which resulted from the increase of demand and contract value for new contracts during the period under the gradual recovery of the general economy in the PRC.

The Group expected the year of 2021 continues to be challenging as the outbreak of the novel coronavirus (COVID-19) epidemic (the “**Epidemic**”) remained volatile. While some regions in the PRC are showing signs of recovery, others are still experiencing spikes under the Epidemic. Thus, it is difficult to prematurely determine whether or not the Group can escape the current dilemma. However, the economic recession is now relatively unscathed and the economic rebound is expected to be achieved in the coming future. As such, the Group is in the midst of organising a series of plans and strategies in a cautious manner for implementation following the gradual ease of the pandemic. The Group firmly believes that once the effects of the pandemic has somewhat dissipated, market demand will bounce back and business activities will gradually recover. The Directors will continue to assess the impact of the Epidemic on the Group’s operation and financial performance and closely monitor the Group’s exposure to the risks and uncertainties in connection with the Epidemic. The Group will take appropriate measures as and when necessary.

FINANCIAL REVIEW

Revenue

The Group's revenue increased by approximately RMB9.9 million, or 187%, from approximately RMB5.3 million for the six months ended 30 June 2020 to approximately RMB15.2 million for the six months ended 30 June 2021, which was due to an increase in number of projects undertaken for the event management services and design and production services during the period of comparison.

Project costs

The Group's project costs increased by approximately RMB4.1 million, or 216%, from approximately RMB1.9 million for the six months ended 30 June 2020 to approximately RMB6.0 million, which was in line with the increase in revenue for the respective period.

Employee benefits expenses

It mainly represents the salaries for the Group's employee. There were no material changes in such expenses for the six months ended 30 June 2020 and 2021, which amounted to approximately RMB4.8 million and RMB4.9 million, respectively.

Other operating expenses

It mainly represents the general office expenses, marketing and promotional fee and legal and professional fee. There were no material changes in such expenses for the six months ended 30 June 2020 and 2021, which amounted to approximately RMB1.6 million and RMB1.5 million, respectively.

Expected credit loss on trade receivables

The Group recorded a reversal for expected credit loss on trade receivable of approximately RMB232,000 for the six months ended 30 June 2021 as compared with a reversal for expected credit loss on trade receivable of approximately RMB710,000 for the six months ended 30 June 2020, which was mainly due to the decrease in the balance of trade receivables over the periods.

Finance costs

Finance costs represents the interest expense recognised in respect of the lease liabilities in relation to the lease of the office premises, which amounted to approximately RMB3,000 and nil for the six months ended 30 June 2020 and 2021, respectively.

Profit for the period

As a result of the foregoing, the Group recorded a net profit of approximately RMB1.9 million for the six months ended 30 June 2021 as compared with the net loss of approximately RMB2.1 million for the six months ended 30 June 2020.

SEGMENT INFORMATION

Segment information is presented for the Group as disclosed on Note 3 to the consolidated financial statements.

LIQUIDITY AND FINANCIAL RESOURCES

The Group finances its liquidity and capital requirements primarily through cash generated from operations and equity contribution from shareholders.

As at 30 June 2021, the Group had cash and cash equivalents of approximately RMB90.7 million (31 December 2020: RMB78.5 million). As at 30 June 2021, the Group's total equity attributable to owners of the Company amounted to approximately RMB92.5 million (31 December 2020: RMB90.6 million). As of the same date, the Group did not have any interest bearing debt (31 December 2020: Nil).

On 14 November 2019, the Company was listed on GEM of the Stock Exchange by way of share offer and completed the share offer of 200,000,000 shares by offer price of HK\$0.275 per share. The net proceeds from the Listing amounted to approximately HK\$27.2 million. The Directors believe that with the new capital from the share offer, the Group is in a healthy financial position to expand its business and achieve its business objectives.

PLEDGE OF ASSETS

As at 30 June 2021, none of the Group's assets was pledged (31 December 2020: Nil).

GEARING RATIO

Gearing ratio is calculated as total interest-bearing debt divided by total equity and multiplied by 100%. The Group's gearing ratio was nil as at 30 June 2021 (2020: Nil).

TREASURY POLICY

The Directors will continue to follow a prudent policy in managing the Group's cash balances and maintain a strong and healthy liquidity to ensure that the Group is well placed to take advantage of future growth opportunities.

CONTINGENT LIABILITIES

As at 30 June 2021, the Group did not have any material contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened against any member of the Group that is likely to have a material and adverse effect on the Group's business, financial condition or results of operations (31 December 2020: Nil).

FOREIGN EXCHANGE EXPOSURE

All of the revenue-generating operations of the Group were mainly transacted in RMB which is the presentation currency of the Group. As such, the Directors are of the view that the Group did not have significant exposure to foreign exchange risk. The Group currently does not have a foreign currency hedging policy.

CAPITAL STRUCTURE

The shares of the Company were successfully listed on GEM of the Stock Exchange on 14 November 2019. There has been no change in the capital structure of the Group since then. The share capital of the Group only comprises of ordinary shares. As at 30 June 2021, the Company's issued share capital was RMB5.6 million and the number of its issued ordinary shares was 800,000,000 of US\$0.001 each.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

With reference to the announcement dated 29 November 2019, the Directors is still in the progress of looking for a suitable property for new headquarter in Yixing in order to cope with the business expansion of the Group. Save for the establishment of the new headquarters, the Group did not have other plans for material investments or capital assets as of 30 June 2021.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any significant investments, material acquisitions or disposals of subsidiaries, associates or joint ventures for the six months ended 30 June 2021.

CAPITAL COMMITMENTS

The Group did not have any capital commitment as at 30 June 2021 (31 December 2020: Nil).

INFORMATION ON EMPLOYEES

As at 30 June 2021, the Group had 79 employees (30 June 2020: 60 employees). The total staff costs (including remuneration of Directors) amounted to approximately RMB4.9 million (30 June 2020: RMB4.8 million). Employees are remunerated based on their qualifications, position and performance. The remuneration offered to employees generally includes salaries, allowances, defined contribution retirement plans and discretionary bonus. Various kinds of trainings were provided to the employees.

INTERIM DIVIDEND

The Board does not recommend the payment of any dividend for the six months ended 30 June 2021 (2020: Nil).

COMPARISON OF BUSINESS OBJECTIVE WITH ACTUAL BUSINESS PROGRESS

As analysis comparing the business objectives as set in the Company’s prospectus dated 30 October 2019 (the “**Prospectus**”) with the Group’s actual business progress for the period from the Listing Date to 30 June 2021 is set out below:

Business and strategy as stated in the Prospectus	Business objectives up to 30 June 2021 as stated in the Prospectus	Actual business progress up to 30 June 2021
Establishment of new branch offices in Wuxi and Beijing	<ul style="list-style-type: none"> <li data-bbox="459 527 970 597">– Recruitment of one general manager for setting up our branch office in Wuxi and Beijing <li data-bbox="459 646 970 842">– Recruitment of 22 additional staff, including three operation managers, 17 staff for event management and/or design and two accounting and administrative staff to support the business operation for our branch office in Wuxi <li data-bbox="459 891 970 1087">– Recruitment of 11 additional staff, including two operation managers, seven staff for event management and/or design and two accounting and administration staff to support the business operation for the branch office in Beijing <li data-bbox="459 1136 970 1249">– Purchase of fixtures, furniture and office equipment for the new branch offices in Wuxi and Beijing <li data-bbox="459 1298 970 1368">– Payment of renovation costs for the new branch offices in Wuxi and Beijing <li data-bbox="459 1417 970 1530">– Payment of staff costs of the additional staff recruited for the branch offices in Wuxi and Beijing <li data-bbox="459 1578 970 1640">– Payment of rental expenses for the new branch offices in Wuxi and Beijing 	<p data-bbox="991 527 1390 1044">For the new branch office in Wuxi, the Group has completed the renovation works of the new office rented and new fixtures, furniture and office equipment have been acquired. A general manager, 14 event management and/or design staff and one administrative staff have been recruited. Since the economic activities were still below the pre-recession level, the Group expected to take longer time to recruit remaining suitable staff. The branch office in Wuxi has commenced its operation during FY2020.</p> <p data-bbox="991 1093 1390 1519">For the establishment of new branch office in Beijing, the Group is still in the progress of identifying the suitable premises for the new office. As high degree of public health emergency policies have been implemented under the outbreak of the Epidemic, the management is cautious about the timing of the expansion of its business in Beijing and will continuously assess the development of the market conditions.</p>

Business and strategy as stated in the Prospectus	Business objectives up to 30 June 2021 as stated in the Prospectus	Actual business progress up to 30 June 2021
Setting up a sales and marketing team and the enhancement of marketing efforts	<ul style="list-style-type: none"> – Recruitment of eight additional staff for setting up our sales and marketing team – Carrying out marketing and promotional activities in different cities and regions in the PRC – Payment of staff costs of the additional staff recruited 	Eight additional staff has been recruited for the Group’s sales and marketing team. The Group commenced to carry out the marketing activities and promotional activities in order to capture the client demand from the recovering economy. Due to the uncertainty of Epidemic, the Group were cautious in the marketing spending and will resume the Group’s promotional activities gradually.
Setting up an in-house multimedia production and design team	<ul style="list-style-type: none"> – Recruitment of one general manager for setting up our multimedia production and design team – Recruitment of 10 additional staff including one director, three animators and designers, one scriptwriter, three videographers and two post-production editors to support the operation of our multimedia production and design team – Payment of staff costs of the additional staff to be recruited – Purchase of audiovisual equipment and hardware 	The Group has carefully evaluated the current market conditions and decided to slow down the recruitment plan for its multimedia production and design team due to the low business sentiment for the marketing services as a result of the outbreak of the Epidemic.

USE OF NET PROCEEDS FROM THE LISTING

The Company successfully listed its shares on GEM of the Stock Exchange on 14 November 2019 by way of public offer and placing and the net proceeds from the Listing of the Company were approximately HK\$27.2 million. The Company intends to apply the net proceeds in the same proportion and in the same manner as shown in the Prospectus. An analysis of the utilisation of the net proceeds is set out as below:

	Planned use of net proceeds in total <i>HK\$ million</i>	Planned use of net proceeds up to 30 June 2021 <i>HK\$ million</i>	Actual use of net proceeds up to 30 June 2021 <i>HK\$ million</i>	Unutilised net proceeds as at 30 June 2021 <i>HK\$ million</i>	Expected timeline for utilising remaining unused net proceeds <i>(Note)</i>
Business objective and strategy					
Establishment of new branch offices in Wuxi and Beijing	12.6	10.8	2.8	9.8	Expected to be fully utilised by 31 December 2022
Setting up a sales and marketing team and the enhancement of marketing efforts	6.6	5.6	2.4	4.2	Expected to be fully utilised by 31 December 2022
Setting up an in-house multimedia production and design team	5.4	4.5	–	5.4	Expected to be fully utilised by 31 December 2022
General working capital	2.6	2.6	2.6	–	N/A

Note: The expected timeline for utilising the remaining net proceeds is based on the best estimation of the future market conditions made by the Group. It will be subject to change based on the current and future development of the market conditions.

In light of the outbreak of the Epidemic, the marketing service sector has been adversely affected in the PRC. The Group will remain cautious in utilising its net proceeds from the Listing in order to mitigate the business risks exposed to the Group under the Epidemic. The Directors will continually evaluate the Group's business objective and strategies, and will change or modify the plans in line with market conditions to stimulate business growth of the Group.

All unutilised balances has been deposited in the licensed banks in Hong Kong and the PRC.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2021, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (the “SFO”) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions in which they were taken or deemed to have under such provisions), or which are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which are required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, are as follows:

Long positions in the shares of the Company

Name of Director/chief executive	Capacity/Nature of interest	Number of shares held/interested	Approximate percentage of shareholding
Mr. Zhou Yang (“Mr. Zhou”) (<i>Note</i>)	Interest in a controlled corporation	420,000,000	52.5%
Ms. Song Ruiqing (“Ms. Song”) (<i>Note</i>)	Interest in a controlled corporation/Interest of spouse	420,000,000	52.5%

Note:

Mr. Zhou and Ms. Song beneficially own 51% and 49% of the issued share capital of QY Investment Holding Limited (“QY”). Therefore, each of Mr. Zhou and Ms. Song is deemed, or taken to be, interested in all the shares of the Company held by QY for the purpose of the SFO. Mr. Zhou and Ms. Song are the directors of QY.

Save as disclosed above, as at 30 June 2021, none of the Directors and chief executives of the Company has any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have taken under the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2021, the following persons/entities (other than the Directors and chief executives of the Company) had or were deemed to have an interest or a short position in the shares or the underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under Section 336 of the SFO, or who were directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group:

Long positions in the shares of the Company

Name of Shareholder	Capacity/Nature of Interest	Number of shares held/ interested	Approximate percentage of shareholding
QY	Beneficial owner	420,000,000	52.5%
SRU Investment Limited ("SRU") (Note 1)	Beneficial owner	120,000,000	15.0%
Mr. Fan Yajun ("Mr. Fan") (Note 1)	Interest in controlled corporation	120,000,000	15.0%
Ms. Zhou Jianyuan ("Ms. Zhou") (Note 2)	Spouse interest	120,000,000	15.0%

Notes:

1. Mr. Fan beneficially owns the entire issued share capital of SRU. Therefore, Mr. Fan is deemed, or taken to be, interested in all the shares of the Company held by SRU for the purpose of the SFO. Mr. Fan is the sole director of SRU.
2. Ms. Zhou is the spouse of Mr. Fan. Ms. Zhou is deemed to be or taken to be interested in all the shares of the Company in which Mr. Fan is interested under the SFO.

Save as disclosed above, as at 30 June 2021, none of the substantial or significant shareholders or other persons, other than the Directors and chief executives of the Company whose interests are set out in the section "Other information – Directors' and chief executives' interests and short positions in shares, underlying shares and debentures" above, had any interest or a short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

SHARE OPTION SCHEMES

The Company conditionally adopted a share option scheme on 21 October 2019 (the “**Scheme**”). The terms of the Scheme are in accordance with the GEM Listing Rules and other relevant rules and regulations. Further details of the Scheme are set out in the section headed “Statutory and General Information – D. Share Option Scheme” in Appendix IV to the prospectus dated 30 October 2019.

For the six months ended 30 June 2021, no share option was granted, exercised, expired or lapsed and there is no outstanding share option under the Scheme.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealing, as set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for securities transactions by the Directors in respect of the shares of the Company (the “**Required Standard of Dealing**”). Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the Required Standard of Dealing and there was no event of non-compliance for the six months ended 30 June 2021.

COMPETITION AND CONFLICT OF INTERESTS

None of the Directors, the controlling shareholders or substantial shareholders of the Company or any of its close associates has engaged in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, as defined in the GEM Listing Rules, or has any other conflict of interests with Group during the six months ended 30 June 2021.

CORPORATE GOVERNANCE PRACTICES

The Company acknowledges the need and importance of corporate governance as one of the key elements in creating shareholders’ value. The Company is also committed to achieving high standard of corporate governance that can protect and promote the interests of all shareholders and to enhance corporate value and accountability of the Company. For corporate governance purpose, the Company has adopted the Corporate Governance Code (the “**CG Code**”) set out in Appendix 15 of the GEM Listing Rules for the six months ended 30 June 2021. To the best knowledge of the Board, the Company has complied with all the applicable code provisions set out in the CG Code.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the six months ended 30 June 2021.

INTERESTS OF THE COMPLIANCE ADVISER

As confirmed by the Company's compliance adviser, Frontpage Capital Limited (the "**Compliance Adviser**"), save as the compliance adviser agreement entered into between the Company and the Compliance Adviser, none of the Compliance Adviser or its directors, employees or associates (as defined in the GEM Listing Rules) had any interest in the Group or in the share capital of any member of the Group which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

AUDIT COMMITTEE

The Audit Committee was established on 21 October 2019. The chairman of the Audit Committee is Mr. Ho Yau Kwok, the independent non-executive Director, and other members included Mr. Yip Koon Shing and Mr. Wong Kin Yip, the independent non-executive Directors. The written terms of reference of the Audit Committee are posted on the website of the Stock Exchange and on the Company's website.

The Company has complied with Rule 5.28 of the GEM Listing Rules in that at least one of the members of the Audit Committee (which must comprise a minimum of three members and must be chaired by an independent non-executive Director) is an independent non-executive Director who possesses appropriate professional qualifications or accounting related financial management expertise.

The primary duties of the Audit Committee are mainly to review the financial information and reporting process, internal control procedures and risk management system, audit plan and relationship with external auditor and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2020 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2021 comply with applicable accounting standards, GEM Listing Rules and that adequate disclosures have been made.

By order of the Board
Orange Tour Cultural Holding Limited
Zhou Yang
Chairman and Executive Director

Hong Kong, 12 August 2021

As at the date of this announcement, the Board comprises Mr. Zhou Yang and Ms. Song Ruiqing as executive Directors; and Mr. Ho Yau Kwok, Mr. Wong Kin Yip and Mr. Yip Koon Shing as independent non-executive Directors.

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 7 days from the date of its posting and will be published on the Company's website at www.otch.com.cn.