

# 旅橙文化控股有限公司

Orange Tour Cultural Holding Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8627



**Interim Report**  
**2022**

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Zhou Yang (*Chairman*)  
Ms. Song Ruiqing (*Chief Executive Officer*)

#### Independent Non-executive Directors

Mr. Ho Yau Kwok  
Mr. Yip Koon Shing  
Mr. Wong Kin Yip

### BOARD COMMITTEES

#### Audit Committee

Mr. Ho Yau Kwok (*Chairman*)  
Mr. Yip Koon Shing  
Mr. Wong Kin Yip

#### Remuneration Committee

Mr. Yip Koon Shing (*Chairman*)  
Ms. Song Ruiqing  
Mr. Wong Kin Yip

#### Nomination Committee

Mr. Zhou Yang (*Chairman*)  
Mr. Ho Yau Kwok  
Mr. Yip Koon Shing

### COMPANY SECRETARY

Mr. Wong Tik Man

### AUTHORISED REPRESENTATIVES

Mr. Zhou Yang  
Mr. Wong Tik Man

### COMPLIANCE OFFICER

Mr. Zhou Yang

### AUDITOR

Moore Stephens CPA Limited  
801-806 Silvercord, Tower 1  
30 Canton Road,  
Tsimshatsui  
Kowloon  
Hong Kong  
*Certified Public Accountants*

### REGISTERED OFFICE IN THE CAYMAN ISLANDS

Sertus Chambers  
Governors Square  
Suite #5-204  
23 Lime Tree Bay Avenue  
P.O. Box 2547  
Grand Cayman, KY1-1104  
Cayman Islands

### HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Composite Building  
Xiazhang Village  
Yicheng Subdistrict  
Yixing City  
Jiangsu Province  
The People's Republic of China



**PRINCIPAL PLACE OF BUSINESS IN HONG KONG**

Room 813, 8/F  
Tai Yau Building  
181 Johnston Road  
Wan Chai  
Hong Kong

**PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS**

Appleby Global Services (Cayman) Limited  
71 Fort Street  
P.O. Box 500  
George Town  
Grand Cayman KY1-1106  
Cayman Islands

**BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG**

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716  
17/F, Hopewell Centre  
183 Queen's Road East  
Wan Chai  
Hong Kong  
(effective from 7 February 2022)

**PRINCIPAL BANKS**

China Construction Bank (Asia) Corporation Limited  
Industrial and Commercial Bank of China Limited

**COMPANY'S WEBSITE**

[www.otch.com.cn](http://www.otch.com.cn)

**STOCK CODE**

8627

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and six months ended 30 June 2022

The unaudited condensed consolidated results of the Group for the three months and six months ended 30 June 2022, together with the unaudited comparative figures for the corresponding periods in 2021, are as follows:

	NOTES	Three months ended 30 June		Six months ended 30 June	
		2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)	2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
Revenue	3	6,284	10,391	10,419	15,187
Other income	3	71	73	140	175
Project costs		(2,744)	(4,396)	(4,296)	(5,970)
Depreciation		(148)	(134)	(296)	(151)
Employee benefits expense		(2,715)	(2,489)	(5,836)	(4,934)
(Provision)/reversal for expected credit loss on trade receivables, net		(395)	(133)	312	232
Other operating expenses		(227)	(1,257)	(857)	(1,453)
<b>Profit/(loss) before income tax</b>	4	<b>126</b>	<b>2,055</b>	<b>(414)</b>	<b>3,086</b>
Income tax expense	5	(146)	(773)	(188)	(1,225)
<b>(Loss)/profit for the period attributable to the owners of the Company</b>		<b>(20)</b>	<b>1,282</b>	<b>(602)</b>	<b>1,861</b>
<b>Other comprehensive (loss)/income</b>					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Exchange differences arising on translation		(242)	15	(206)	19
<b>Total comprehensive (loss)/income attributable to the owners of the Company</b>		<b>(262)</b>	<b>1,297</b>	<b>(808)</b>	<b>1,880</b>
<b>(Loss)/earnings per share attributable to the owners of the Company</b>					
– Basic and diluted (RMB cents)	7	(0.00)	0.16	(0.08)	0.23

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Notes	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	450	746
Deferred tax assets		137	214
		<b>587</b>	960
<b>Current assets</b>			
Trade and other receivables	9	8,051	10,541
Tax recoverable		1,244	629
Bank balances and cash		93,591	92,874
		<b>102,886</b>	104,044
<b>Current liabilities</b>			
Trade and other payables	10	14,369	15,092
<b>Net current assets</b>			
		<b>88,517</b>	88,952
<b>Net assets</b>			
		<b>89,104</b>	89,912
<b>CAPITAL AND RESERVES</b>			
Share capital	11	5,616	5,616
Reserves		83,488	84,296
<b>Total equity</b>			
		<b>89,104</b>	89,912

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2022

	Share capital <i>RMB'000</i> (Note (11))	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 2021 (audited)	5,616	34,420	5,921	(919)	26,412	19,179	90,629
Profit for the period	-	-	-	-	-	1,861	1,861
Exchange differences arising on translation	-	-	-	19	-	-	19
Total comprehensive income for the period	-	-	-	19	-	1,861	1,880
Balance at 30 June 2021 (unaudited)	5,616	34,420	5,921	(900)	26,412	21,040	92,509
Balance at 1 January 2022 (audited)	5,616	34,420	6,303	(868)	26,412	18,029	89,912
Loss for the period	-	-	-	-	-	(602)	(602)
Exchange difference arising on transaction	-	-	-	(206)	-	-	(206)
Total comprehensive loss for the period	-	-	-	(206)	-	(602)	(808)
Balance at 30 June 2022 (unaudited)	5,616	34,420	6,303	(1,074)	26,412	17,427	89,104

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2022

	Unaudited	
	Six months ended	
	30 June 2022 RMB'000	30 June 2021 RMB'000
<b>Operating activities</b>		
Cash generated from operation	1,335	13,108
Income tax paid	(767)	(981)
<b>Net cash generated from operating activities</b>	<b>568</b>	12,127
<b>Investing activities</b>		
Interest received	140	441
Fund advance to an associate	–	(323)
Decrease in time deposit	–	35,000
<b>Net cash generated from investing activities</b>	<b>140</b>	35,118
<b>Net increase in cash and cash equivalents</b>	<b>708</b>	47,245
<b>Cash and cash equivalents at 1 January</b>	<b>92,874</b>	43,494
Effect of foreign exchange rate changes	9	(15)
Cash and cash equivalents at end of the year	<b>93,591</b>	90,724
<b>Analysis of cash and cash equivalents</b>		
Bank balances and cash	<b>93,591</b>	90,724



## 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, 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 2022 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 2022 are consistent with those adopted in the Group's 2021 audited annual report dated 25 March 2022, 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 2022 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 2022.

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 2021.

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 2022 are as follows:

#### Revenue and other income

<i>By types of services</i>	Three months ended 30 June		Six months ended 30 June	
	2022 <i>RMB'000</i> (unaudited)	2021 <i>RMB'000</i> (unaudited)	2022 <i>RMB'000</i> (unaudited)	2021 <i>RMB'000</i> (unaudited)
Event management services	2,882	4,225	4,626	4,846
Design and production services	3,402	6,166	5,793	10,341
	6,284	10,391	10,419	15,187
<b>Other income</b>				
Interest income	71	73	140	175

#### 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. 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	
	2022 <i>RMB'000</i> (unaudited)	2021 <i>RMB'000</i> (unaudited)	2022 <i>RMB'000</i> (unaudited)	2021 <i>RMB'000</i> (unaudited)
Expense relating to short-term lease	30	70	94	100
Project costs	2,744	4,396	4,296	5,970
Employee benefits expense (including directors' emoluments)				
– Salaries, allowances and benefits in kind	1,922	1,882	4,345	4,055
– Retirement benefit scheme contributions	793	607	1,491	879
	2,715	2,489	5,836	4,934

## 5. INCOME TAX EXPENSE

	Three months ended 30 June		Six months ended 30 June	
	2022 <i>RMB'000</i> (unaudited)	2021 <i>RMB'000</i> (unaudited)	2022 <i>RMB'000</i> (unaudited)	2021 <i>RMB'000</i> (unaudited)
Current tax:				
The PRC Enterprise Income Tax	111	806	111	1,167
Deferred tax expense/(credit)	35	(33)	77	58
	<b>146</b>	773	<b>188</b>	1,225

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 taxable profits of the Company's subsidiaries established in the PRC for the six months ended 30 June 2022 and 2021, except for two PRC subsidiaries that are qualified for the simplified tax rate of 2.5% on the gross revenue.

No provision for Hong Kong Profits Tax has been made for the six months ended 30 June 2022 and 2021 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.

## 6. DIVIDEND

The board of Directors (the "**Board**") does not recommend the payment of any dividend for the six months ended 30 June 2022 (2021: Nil).

## 7. (LOSS)/EARNINGS PER SHARE

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

	Three months ended 30 June		Six months ended 30 June	
	2022 (unaudited)	2021 (unaudited)	2022 (unaudited)	2021 (unaudited)
<b>(Loss)/earnings:</b>				
(Loss)/earnings for the period attributable to ordinary equity holders of the Company (RMB'000)	(20)	1,282	(602)	1,861
<b>Number of shares:</b>				
Weighted average number of ordinary shares for purpose of calculating basic earnings per share ('000)	800,000	800,000	800,000	800,000

The weighted average number of ordinary shares for the purpose of calculating basic (loss)/earnings per share for the six months ended 30 June 2021 and 2022 was derived from the number of ordinary shares in issue during the period.

No separate diluted (loss)/earnings per share information has been presented as there were no potential ordinary shares outstanding issued for the six months ended 30 June 2022 and 2021.

## 8. PROPERTY, PLANT AND EQUIPMENT

The Group did not acquired any property, plant and equipment during the six months ended 30 June 2022 and 2021.

## 9. TRADE AND OTHER RECEIVABLES

	<b>At 30 June 2022 RMB'000 (unaudited)</b>	At 31 December 2021 RMB'000 (audited)
Trade receivables, at cost	5,650	9,613
Less: Provision for expected credit loss	(550)	(863)
Trade receivables, net	5,100	8,750
Prepayments	416	249
Trade prepayments	1,365	1,365
Deposit and other receivables	1,170	177
	<b>8,051</b>	10,541

The credit period for trade receivables is up to 90 days (2021: 90 days) from the invoice date for the relevant period.

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

	<b>At 30 June 2022 RMB'000 (unaudited)</b>	At 31 December 2021 RMB'000 (audited)
Within 1 month	2,777	3,270
Over 1 month but within 3 months	259	1,871
Over 3 months but within 6 months	203	1,107
Over 6 months but within 1 year	1,017	978
Over 1 year	844	1,524
	<b>5,100</b>	8,750

## 10. TRADE AND OTHER PAYABLES

	<b>At 30 June 2022 RMB'000 (unaudited)</b>	At 31 December 2021 RMB'000 (audited)
Trade payables	<b>1,419</b>	1,588
Accruals and other payable	<b>12,696</b>	13,097
Other tax payables	<b>254</b>	407
	<b>14,369</b>	15,092

The credit period granted by suppliers of the Group is ranging from 30 to 120 days (2021: 30 to 120 days) for the relevant period. The ageing analysis of the trade payables based on invoice date is as follows:

	<b>At 30 June 2022 RMB'000 (unaudited)</b>	At 31 December 2021 RMB'000 (audited)
Within 1 month	–	120
Over 1 month but less than 3 months	<b>70</b>	455
Over 3 months but less than 1 year	<b>1,141</b>	800
Over 1 year	<b>208</b>	213
	<b>1,419</b>	1,588

## 11. SHARE CAPITAL



	<b>Number of ordinary shares during the period/year</b>	<b>Amount</b> <i>RMB'000</i>
<b>Ordinary shares of US\$0.001 each</b>		
<b>Authorised:</b>		
As at 31 December 2021 and 30 June 2022	2,000,000,000	14,158
<b>Issued and fully paid:</b>		
As at 31 December 2021 and 30 June 2022	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 15 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 loss of approximately RMB0.6 million for the six months ended 30 June 2022 as compared with the net profit of approximately RMB1.9 million for the six months ended 30 June 2021. The decrease in the net profit was primarily attributable to the decrease in revenue for the six months ended 30 June 2022 as comparing with the same period in 2021, which resulted from the decrease of demand and contract value for new contracts during the period as negatively affected brought by the new wave of outbreak of the novel coronavirus (COVID-19) epidemic (the “Epidemic”) in the PRC.

The core business of the Group continued to be severely negatively affected since the initial outbreak of the Epidemic in 2020. The market conditions continued to be very challenging due to the prolonged and volatile Epidemic situation especially in Yangtze River Delta such as Shanghai, Nanjing, Suzhou, Wuxi and Yixing with the outbreak in Shanghai as brought by Omicron variant in the first quarter of this year. The widespread of the outbreak of the Epidemic caused substantial economic and social disruption across Yangtze River Delta. Given different regional cites were still subject to various level of community and travel quarantine, the Group marketing projects, especially the event management projects, have been delayed unceasingly or even cancelled under the Epidemic. Besides, enterprises have continued to operate with a reduced marketing budget and spend cautiously throughout the year, which has resulted in the decrease in demand of the marketing services. Our key client such as government authorities, state-owned enterprises, real estate corporations and other corporate customers have delayed or even cancelled their marketing plans and also reduced their marketing spendings under such situation. As a result, the number of projects undertaken by the Group decreased during the six months ended 30 June 2022.



Looking towards, given that the Epidemic remained volatile, it is difficult to prematurely determine the precaution measures for the Epidemic will be relieved in short run. As such, it is expected that the economic environment will continue to be challenging. 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 decreased by approximately RMB4.8 million, or 31%, from approximately RMB15.2 million for the six months ended 30 June 2021 to approximately RMB10.4 million for the six months ended 30 June 2022, which was due to a decrease 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 decreased by approximately RMB1.7 million, or 28%, from approximately RMB6.0 million for the six months ended 30 June 2021 to approximately RMB4.3 million for the six months ended 30 June 2022, which was in line with the decrease in revenue for the respective period.

### **Employee benefits expenses**

It mainly represents the salaries for the Group's employee. Such expenses increased by approximately RMB0.9 million, or 18%, from approximately RMB4.9 million for the six months ended 30 June 2021 to approximately RMB5.8 million for the six months ended 30 June 2022. Such increase was primarily due to the increase in the number of staff for the period.



### **Other operating expenses**

It mainly represents the general office expenses, marketing and promotional fee and legal and professional fee. Such expenses decreased by approximately RMB0.6 million, or 41% from approximately RMB1.5 million for the six months ended 30 June 2021 to approximately RMB0.9 million for the six months ended 30 June 2022, which was in line with the decrease in revenue for the respective period.

### **Expected credit loss on trade receivables**

The Group recorded a reversal for expected credit loss on trade receivable of approximately RMB312,000 and RMB232,000 for the six months ended 30 June 2022 and 2021, which was mainly due to the increase in the collection on certain outstanding balance of trade receivables during the period of comparison.

### **Loss for the period**

As a result of the foregoing, the Group recorded a net loss of approximately RMB0.6 million for the six months ended 30 June 2022 as compared with the net profit of approximately RMB1.9 million for the six months ended 30 June 2021.



## **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 2022, the Group had cash and cash equivalents of approximately RMB93.6 million (31 December 2021: RMB92.9 million). As at 30 June 2022, the Group's total equity attributable to owners of the Company amounted to approximately RMB89.1 million (31 December 2021: RMB89.9 million). As of the same date, the Group did not have any interest bearing debt (31 December 2021: Nil).

## **PLEDGE OF ASSETS**

As at 30 June 2022, none of the Group's assets was pledged (31 December 2021: 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 2022 (2021: 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 2022, 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 2021: 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 listed on GEM of the Stock Exchange. 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 2022, 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.



## **CAPITAL COMMITMENTS**

The Group did not have any capital commitment as at 30 June 2022 (31 December 2021: Nil).

## **INFORMATION ON EMPLOYEES**

As at 30 June 2022, the Group had 74 employees (30 June 2021: 79 employees). The total staff costs (including remuneration of Directors) amounted to approximately RMB5.8 million (30 June 2021: RMB4.9 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 2022 (2021: Nil).

## **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 2022.

## **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 2022.



## COMPARISON OF BUSINESS OBJECTIVE WITH ACTUAL BUSINESS PROGRESS

An 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 2022 is set out below:

Business and strategy as stated in the Prospectus	Business objectives up to 30 June 2022 as stated in the Prospectus	Actual business progress up to 30 June 2022
Establishment of new branch offices in Wuxi and Beijing	<ul style="list-style-type: none"> <li data-bbox="381 560 717 644">– Recruitment of one general manager for setting up our branch office in Wuxi and Beijing</li> <li data-bbox="381 667 717 852">– 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> <li data-bbox="381 874 717 1059">– 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> <li data-bbox="381 1082 717 1166">– Purchase of fixtures, furniture and office equipment for the new branch offices in Wuxi and Beijing</li> <li data-bbox="381 1189 717 1283">– Payment of renovation costs for the new branch offices in Wuxi and Beijing</li> </ul>	<p data-bbox="736 560 1008 879">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, three operation managers, 17 staff for event management and/or design and two accounting and administrative staff have been recruited.</p> <p data-bbox="736 901 1008 1305">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 2022 as stated in the Prospectus**

**Actual business progress up to 30 June 2022**

Setting up a sales and marketing team and the enhancement of marketing efforts

- Payment of staff costs of the additional staff recruited for the branch offices in Wuxi and Beijing
- Payment of rental expenses for the new branch offices in Wuxi and Beijing
- 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.



**Business and strategy as stated in the Prospectus**

Setting up an in-house multimedia production and design team

**Business objectives up to 30 June 2022 as stated in the Prospectus**

- 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

**Actual business progress up to 30 June 2022**

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 HK\$ million	Actual use of net proceeds up to 30 June 2022 HK\$ million	Unutilised net proceeds as at 30 June 2022 HK\$ million	Expected timeline for utilising remaining unused net proceeds (Note)
<b>Business objective and strategy</b>				
Establishment of new branch offices in Wuxi and Beijing	12.6	6.5	6.1	Expected to be fully utilised by 31 December 2022
Setting up a sales and marketing team and the enhancement of marketing efforts	6.6	4.2	2.4	Expected to be fully utilised by 31 December 2022
Setting up an in-house multimedia production and design team	5.4	-	5.4	Expected to be fully utilised by 31 December 2022
General working capital	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 the PRC.



## OTHER INFORMATION

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

As at 30 June 2022, 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 2022, 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 2022, 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**

<b>Name of Shareholder</b>	<b>Capacity/Nature of Interest</b>	<b>Number of shares held/ interested</b>	<b>Approximate percentage of shareholding</b>
QY	Beneficial owner	420,000,000	52.5%
SRU Investment Limited ("SRU") <i>(Note 1)</i>	Beneficial owner	120,000,000	15.0%



<b>Name of Shareholder</b>	<b>Capacity/Nature of Interest</b>	<b>Number of shares held/ interested</b>	<b>Approximate percentage of shareholding</b>
Mr. Fan Yajun ("Mr. Fan") <i>(Note 1)</i>	Interest in controlled corporation	120,000,000	15.0%
Ms. Zhou Jianyuan ("Ms. Zhou") <i>(Note 2)</i>	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 2022, 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 2022, 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 2022.



## 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 2022.

## 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 2022. 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 2022.



## 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 2022 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 2022 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 2022

*As at the date of this report, 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.*