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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 2024

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.*

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Interim Report

2024

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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 (resigned on 30 April 2024)
Mr. Yeung Yuk Hong (appointed on 30 April 2024)

AUTHORISED REPRESENTATIVES

Mr. Zhou Yang
Mr. Wong Tik Man (resigned on 30 April 2024)
Mr. Yeung Yuk Hong (appointed on 30 April 2024)

COMPLIANCE OFFICER

Mr. Zhou Yang

AUDITOR

Moore CPA Limited 801-806
Silvercord, Tower 130 Canton
Road,
Tsimshatsui
Kowloon
Hong Kong
Certified Public Accountants

REGISTERED OFFICE IN THE CAYMAN ISLANDS

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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

PRINCIPAL BANKS

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

COMPANY'S WEBSITE

www.otch.com.cn

STOCK CODE

8627

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

The unaudited condensed consolidated results of the Group for the six months ended 30 June 2024, together with the unaudited comparative figures for the corresponding periods in 2023, are as follows

	NOTES	Six months ended 30 June	
		2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Revenue	3	12,405	15,677
Other income	3	96	119
Project costs		(4,952)	(6,651)
Depreciation		(187)	(268)
Employee benefits expenses		(4,268)	(6,610)
Provision of expected credit loss on trade receivables, net		(609)	(261)
Other operating expenses		(1,126)	(1,625)
Finance costs		(74)	(1)
Profit before income tax	4	1,285	380
Income tax expense	5	(598)	(549)
Profit/(loss) for the year attributable to the owners of the Company		687	(169)
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation		(73)	(310)
Total comprehensive income/(loss) attributable to the owners of the Company		614	(479)
Earnings/(loss) per share attributable to the owners of the Company			
– Basic and diluted (RMB cents)	7	0.09	(0.02)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Notes	30 JUNE 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	8	794	745
Deferred tax assets		320	168
		1,114	913
Current assets			
Trade and other receivables	9	9,892	5,060
Tax recoverable		367	138
Bank balances and cash		99,804	99,519
		110,063	104,717
Current liabilities			
Trade and other payables	10	10,817	12,986
Bank borrowing		5,000	-
Lease liability		117	-
Amount due to a shareholder		7,181	5,196
		23,115	18,182
Net current assets		86,948	86,535
Net assets		88,062	87,448
CAPITAL AND RESERVES			
Share capital	11	5,616	5,616
Reserves		82,446	81,832
Total equity		88,062	87,448

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Share capital RMB'000 (Note (11))	Share premium RMB'000	Statutory reserve RMB'000	Translation reserve RMB'000	Other reserve RMB'000	Retained earnings RMB'000	Total equity RMB'000
Balance at 1 January 2023 (audited)	5,616	34,420	6,303	(1,327)	26,412	14,324	85,748
Loss for the period	—	—	—	—	—	(169)	(169)
Exchange difference arising on transaction	—	—	—	(310)	—	—	(310)
Total comprehensive loss for the period	—	—	—	(310)	—	(169)	(479)
Balance at 30 June 2023 (unaudited)	5,616	34,420	6,303	(1,637)	26,412	14,155	85,269
Balance at 1 January 2024 (audited)	5,616	34,420	6,801	(1,513)	26,412	15,712	87,448
Profit for the period	—	—	—	—	—	687	687
Exchange differences arising on translation	—	—	—	(73)	—	—	(73)
Total comprehensive loss for the period	—	—	—	(73)	—	687	614
Balance at 30 June 2024 (unaudited)	5,616	34,420	6,801	(1,586)	26,412	16,399	88,062

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Unaudited	
	Six months ended	
	30 June 2024 RMB'000	30 June 2023 RMB'000
Operating activities		
Cash used in operation	(5,629)	(6,353)
Income tax paid	(980)	(51)
Net cash used in operating activities	(6,609)	(6,404)
Investing activity		
Interest received	96	119
Net cash generated from investing activity	96	119
Financing activities		
Advanced from a shareholder	1,989	976
New bank borrowing raised	5,000	-
Payment of interest of bank borrowing	(73)	-
Payment of lease liabilities	(119)	(119)
Net cash generated from financing activities	6,797	857
Net increase in cash and cash equivalents	284	(5,428)
Cash and cash equivalents at 1 January	99,519	96,347
Effect of foreign exchange rate changes	1	11
Cash and cash equivalents at end of the year	99,804	90,930
Analysis of cash and cash equivalents		
Bank balances and cash	99,804	90,930



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 2024 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 2024 are consistent with those adopted in the Group's 2023 audited annual report dated 28 March 2024, 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 2024 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 2024.

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 2023.

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 six months ended 30 June 2024 are as follows:

Revenue and other income

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
<i>By type of services</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Event management services	5,236	6,336
Design and production services	7,169	9,341
	12,405	15,677
Other income		
Interest income	96	119

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 BEFORE INCOME TAX

Profit before income tax is arrived at after charging:

	Six months ended	
	30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Expense relating to short-term lease	165	124
Project costs	4,952	6,651
Employee benefits expense (including directors' emoluments)		
– Salaries, allowances and benefits in kind	3,427	5,194
– Retirement benefit scheme contributions	841	1,416
	4,268	6,610

5. INCOME TAX EXPENSE

	<i>Six months ended</i>	
	<i>30 June</i>	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Current tax:		
–The PRC Enterprise Income Tax	750	616
Deferred tax credit	(152)	(67)
	598	549

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the “BVI”), the Group is not subject to any income tax under these jurisdictions for the six months ended 30 June 2024 (2023: Nil).

Hong Kong corporates are mainly subject to Hong Kong Profits Tax rate of 16.5% (2023: 16.5%). No Hong Kong Profits Tax has been provided for the six months ended 30 June 2024 in the unaudited condensed consolidated financial statements as the Group has no assessable profits derived in Hong Kong for the six months ended 30 June 2024 (2023: Nil).

The Group is subject to income tax on an entity basis on profits arising in or derived from the PRC in which members of the Group are domiciled and operated. Except for two PRC subsidiaries that are qualified for the simplified tax rate of 2.5% (2023: 2.5%) on the taxable profits, the PRC EIT has been provided at the rate of 25% (2023: 25%) on the taxable profits of the Group’s PRC subsidiaries for the six months ended 30 June 2024.

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 2024 (2023: Nil).

7. EARNINGS/(LOSS) PER SHARE

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

	<i>Six months ended</i>	
	<i>30 June</i>	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Profit/(loss):		
Profit/(loss) for the period attributable to ordinary equity holders of the Company (RMB'000)	687	(169)
Number of shares:		
Weighted average number of ordinary shares for purpose of calculating basic loss per share ('000)	800,000	800,000

The weighted average number of ordinary shares for the purpose of calculating basic earnings/(loss) per share for the six months ended 30 June 2024 and 2023 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 2024 and 2023.

8. PROPERTY, PLANT AND EQUIPMENT

The Group did not acquired any property, plant and equipment during the six months ended 30 June 2024 and 2023.

9. TRADE AND OTHER RECEIVABLES

	At 30 June 2024 RMB'000 (unaudited)	At 31 December 2023 RMB'000 (audited)
Trade receivables, at cost	8,473	4,460
Less: Provision for expected credit loss	(1,279)	(676)
Trade receivables, net	7,194	3,784
Prepayments	2,001	598
Deposit and other receivables	697	678
	9,892	5,060

The credit period for trade receivables is up to 90 days (2023: 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:

	At 30 June 2024 RMB'000 (unaudited)	At 31 December 2023 RMB'000 (audited)
Within 1 month	152	2,901
Over 1 month but within 3 months	4,149	581
Over 3 months but within 6 months	1,402	62
Over 6 months but within 1 year	937	39
Over 1 year	554	200
	7,194	3,783


10. TRADE AND OTHER PAYABLES

	At 30 JUNE 2024 RMB'000 (unaudited)	At 31 December 2023 RMB'000 (audited)
Trade payables	638	245
Accruals and other	9,830	12,103
Other tax payables	349	638
	10,817	12,986

The credit period granted by suppliers of the Group is ranging from 30 to 120 days (2023: 30 to 120 days) for the relevant period. The ageing analysis of the trade payables based on invoice date is as follows:

	At 30 JUNE 2024 RMB'000 (unaudited)	At 31 December 2023 RMB'000 (audited)
Within 1 month	246	77
Over 1 month but less than 3 months	282	50
Over 3 months but less than 1 year	20	60
Over 1 year	90	58
	638	245

11. SHARE CAPITAL



	Number of ordinary shares during the period/year	Amount RMB'000
Ordinary shares of US\$0.001 each		
Authorised:		
As at 31 December 2023 and 30 June 2024	2,000,000,000	14,158
Issued and fully paid:		
As at 31 December 2023 and 30 June 2024	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 17 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 RMB0.6 million for the six months ended 30 June 2024 as compared with the net loss of approximately RMB0.2 million for the six months ended 30 June 2023. The decrease in the net loss was primarily attributable to the effective cost control for the six months ended 30 June 2024 as comparing with the same period in 2023.

Despite the challenging and exigent external environment, the Group has proactively adopted the following strategies and transformation to improve the business progressively during the period. Firstly, the Group has achieved sustainable growth by securing a long-term management contract in regard of cultural tourism during the period. The Group will carry out certain renovation and expansion works to transform a destination into a cultural attraction in the initial stage. Followed by the beautification works, the Group will commence to manage the attraction in order to boost tourism and other commerce. As cultural tourism is an opportunity and a growing trend in the PRC, the Group will continue to make efforts to promote cultural development and support the developments of new attractions and events. Secondly, the Group believes that the virtual reality is a big trend in the world. The Group intends to incorporate digital and interactive elements such as AI, web3, VR, AR and gamification into activations. The Group plans to rely on digital and virtual means to launch a range of virtual reality exhibition in museum or commercial complex or art center. It allows a wide range of audience can be exploration of historical sites, distant cultures, and intricate details of artifacts that might be inaccessible in physical forms by electronic means. The Group is proactive to arrange such virtual exhibition and will be introduce in different locations in the foreseeable future.

Beside the industry of the Group familiar with, the Group has a new opportunity to engage in the clean energy industry. Even though such exploration is a new challenge to the Group, it has accumulated relevant experience from different perspective over the past few years. The potential project is still in negotiation and yet to commence. The Group believes such new opportunity in providing management services of clean energy contract, will bring a new momentum to the Group.

In the coming future, the Group continues to dedicate the effort to further expand the horizon of the business and seeking for a new growth of the business opportunities in order to facilitate the performance growth and to create long-term development of the Group.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by approximately RMB3.3 million, or 20.9%, from approximately RMB15.7 million for the six months ended 30 June 2023 to approximately RMB12.4 million for the six months ended 30 June 2024, which was due to an 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 25.5%, from approximately RMB6.7 million for the six months ended 30 June 2023 to approximately RMB5.0 million for the six months ended 30 June 2024, 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 decreased by approximately RMB2.3 million, or 35.4%, from approximately RMB6.6 million for the six months ended 30 June 2023 to approximately RMB4.3 million for the six months ended 30 June 2024. Such decrease was primarily due to the decrease in the number of staff during the period of comparison.



Other operating expenses

It mainly represents the general office expenses, marketing and promotional fee and legal and professional fee. Such expenses decrease by approximately RMB0.5 million, or 30.7% from approximately RMB1.6 million for the six months ended 30 June 2023 to approximately RMB1.1 million for the six months ended 30 June 2024, which was in line with the decrease in revenue for the respective period.

Expected credit loss on trade receivables

The expected credit loss on trade receivable increased from approximately RMB0.3 million for the six months ended 30 June 2023 to approximately RMB 0.6 million for the six months ended 30 June 2024, which was mainly due to the decrease in the collection on certain outstanding balance of trade receivables during the period of comparison.

Finance cost

Finance cost increased from approximately RMB1,000 for the six months ended June 2023 to approximately RMB74,000 for the six months ended 2024. Such increase was primarily due to the interest expenses derived from a bank borrowing during the period. The bank borrowing was unsecured, bearing interest rate of 3.45% per annum and repayable in 1 year.

Profit for the period

As a result of the foregoing, the Group recorded a net profit of approximately RMB0.6 million for the six months ended 30 June 2024 as compared with the net loss of approximately RMB0.2 million for the six months ended 30 June 2023.



SEGMENT INFORMATION

Segment information is presented for the Group as disclosed on Note 3 to the unaudited condensed 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 2024, the Group had cash and cash equivalents of approximately RMB99.8 million (31 December 2023: RMB99.5 million). As of the same date, the Group have bank borrowing of approximately RMB50.0 million (31 December 2023: Nil).

As at 30 June 2024, the Group have lease liability of approximately RMB117,000 (31 December 2023: Nil).

As at 30 June 2024, the Group's total equity attributable to owners of the Company amounted to approximately RMB88.0 million (31 December 2023: RMB87.4 million).

PLEDGE OF ASSETS

As at 30 June 2024, none of the Group's assets was pledged (31 December 2023: 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 5.7% as at 30 June 2024 (31 December 2023: 0.1%).

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 2024, 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 2023: 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 2024, 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 2024 (31 December 2023: Nil).

INFORMATION ON EMPLOYEES

As at 30 June 2024, the Group had 45 employees (30 June 2023: 69 employees). The total staff costs (including remuneration of Directors) amounted to approximately RMB4.3 million (30 June 2023: RMB6.6 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 2024 (2023: 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 2024.

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 2024.



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 2024 is set out below:

Business and strategy as stated in the Prospectus	Business objectives as stated in the Prospectus	Actual business progress up to 30 June 2024
Establishment of new branch offices in Wuxi and Beijing	<ul style="list-style-type: none">– Recruitment of one general manager for setting up our branch office in Wuxi and Beijing– 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– 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– Purchase of fixtures, furniture and office equipment for the new branch offices in Wuxi and Beijing– Payment of renovation costs for the new branch offices in Wuxi and Beijing	<p>All the proceeds for the establishment of Wuxi office has been used up. The Group believes such expansion of the business network and service capacity would create a long term enduring benefits of the Group.</p> <p>Given the domestic demand recovery is continuously slow and bumpy, the Directors are caution 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 2024 as stated in the Prospectus

Actual business progress up to 30 June 2024

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

All the proceeds for setting up a sales and marketing team and the enhancement of marketing efforts has been used up. The Group will continue to carry out marketing activities in order to capture the potential customers and increase the brand presence.



Business and strategy as stated in the Prospectus

Setting up an in-house multimedia production and design team

Business objectives 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 2024

A general manager, two animators and designers, one videographers and one post-production have been recruited in order to increase the production capability. The Directors will continuously assess the necessity and the appropriate timing to expand the multimedia production and design team.

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:

	<i>Planned use of net proceeds in total</i>	<i>Actual use of net proceeds up to 30 June 2024</i>	<i>Unutilised net proceeds as at 30 June 2024</i>	<i>Expected timeline for utilising remaining unused net proceeds (Note)</i>
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	
<i>Business objective and strategy</i>				
Establishment of new branch offices in Wuxi and Beijing	12.6	7.0	5.6	Expected to be fully utilised by 31 December 2024
Setting up a sales and marketing team and the enhancement of marketing efforts	6.6	6.6	–	Expected to be fully utilised by 31 December 2024
Setting up an in-house multimedia production and design team	5.4	0.4	5.0	Expected to be fully utilised by 31 December 2025
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.

Given the Domestic demand recovery is continuously slow and bumpy, the Group will remain cautious in utilising its net proceeds in order to mitigate the business risks exposed to the Group. 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 2024, 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") ^(Note)	Interest in a controlled corporation	420,000,000	52.5%
Ms. Song Ruiqing ("Ms. Song") ^(Note)	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 2024, 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 2024, 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	52.50%
Carbon Nentral Technology(Asia) Investment Holding Group Limited ("Carbon") ^(Note 1)	Beneficial owner	81,000,000	10.13%



<i>Name of Shareholder</i>	<i>Capacity/Nature of Interest</i>	<i>Number of shares held/ interested</i>	<i>Approximate percentage of shareholding</i>
Mr. Zhang Shi fang ("Mr. Zhang") ^(Note 1)	Interest in controlled corporation	81,000,000	10.13%

Notes:

1. Mr. Zhang beneficially owns the entire issued share capital of Carbon. Therefore, Mr. Zhang is deemed, or taken to be, interested in all the shares of the Company held by Carbon for the purpose of the SFO. Mr. Zhang is the sole director of Carbon.



Save as disclosed above, as at 30 June 2024, 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 2024, 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 2024.



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 2024.

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 2024. 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 2024.




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 2024 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 2024 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, 28 August 2024

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.