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ORIENT SECURITIES INTERNATIONAL HOLDINGS LIMITED
東方滙財證券國際控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8001)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2024

CHARACTERISTICS OF THE GEM (“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-size 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, 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.

* *For identification purpose only*

SUMMARY

- Revenue amounted to approximately HK$94,878,000 for the year ended 31 March 2024 (For the fifteen months ended 31 March 2023: approximately HK49,125,000), representing an increase of approximately 93.1%.

- Profit attributable to owners of the Company amounted to approximately HK$3,392,000 for the year ended 31 March 2024 (For the fifteen months ended 31 March 2023: approximately loss of HK$125,702,000).

- The Directors do not recommend any final dividend for the year ended 31 March 2024 (For the fifteen months ended 31 March 2023: Nil).

RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Orient Securities International Holdings Limited (the "**Company**") is pleased to present the audited consolidated results of the Company and its subsidiaries (collectively referred to the "**Group**") for the year ended 31 March 2024 ("**FY2023/24**"), together with the comparative audited figures for the fifteen months ended 31 March 2023, which have been reviewed by the audit committee of the Board and approved by the Board on 28 June 2024 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2024

	Notes	**For the year ended 31 March 2024** *HK$'000*	For the fifteen months ended 31 March 2023 *HK$'000*
Revenue	4	**94,878**	49,125
Other income	5	**1,188**	125
Employee costs		**(5,893)**	(10,175)
Administrative and other operating expenses		**(22,608)**	(11,486)
Impairment for trade receivables, net		**(19,692)**	(6,456)
Impairment for loan and interest receivables, net		**(38,127)**	(143,107)
Impairment for other receivables, net		**–**	(3,563)
Loss on disposal of loan receivables		**(2,146)**	–
Finance costs	6	**(23)**	(165)
Profit/(loss) before income tax	7	**7,577**	(125,702)
Income tax expense	8	**(4,185)**	–
Profit/(loss) and total comprehensive income (expense) for the year/period attributable to the owners of the Company		**3,392**	(125,702)
Earnings/(loss) per share attributable to the owners of the Company for the year/period	10		
– Basic and diluted (HK cent)		**2.73**	(120.48)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 31 March 2024

	Notes	At 31 March 2024 HK$'000	At 31 March 2023 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**483**	1,466
Other assets	11	**405**	430
Loan and interest receivables		**13,899**	15,404
Deferred tax assets		**334**	334
		15,121	17,634
Current assets			
Trade receivables	12	**12,242**	18,716
Loan and interest receivables		**182,833**	207,220
Prepayments, deposits and other receivables		**13,613**	1,015
Trust bank balances held on behalf of clients		**8,197**	8,903
Cash and cash equivalents		**41,654**	5,769
		258,539	241,623
Current liabilities			
Trade payables	13	**8,200**	9,660
Accruals and other payables		**13,509**	3,091
Lease liabilities		**233**	732
Tax payables		**12,521**	9,736
		34,463	23,219
Net current assets		**224,076**	218,404
Total assets less current liabilities		**239,197**	236,038
Non-current liability			
Lease liabilities		**–**	233
Net assets		**239,197**	235,805
EQUITY			
Equity attributable to the owners of the Company			
Share capital	14	**6,221**	6,221
Reserves		**232,976**	229,584
Total equity		**239,197**	235,805

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

1. GENERAL INFORMATION

Orient Securities International Holdings Limited (the "**Company**") was incorporated and registered as an exempted company with limited liability on 5 January 2009 under the Companies Law of the Cayman Islands and acts as an investment holding company. The shares of the Company have been listed on the GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 15 January 2014. The address of its registered office and principal place of business of the Company are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and 8th Floor, Hip Shing Hong Centre, 55 Des Voeux Road Central, Central, Hong Kong, respectively.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred as the "**Group**") are principally engaged in the provision of:

– brokerage services

– underwriting and placing services

– securities, initial public offering financing services

– money lending services

– asset management services

There were no significant changes in operations during the year.

The accompanying consolidated financial statements for the current financial period cover a twelve months period from 1 April 2023 to 31 March 2024. The comparative figures, however, are for fifteen months from 1 January 2022 to 31 March 2023, and hence are not directly comparable.

2. ADOPTION OF NEW HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSS")

2.1 New and amendments to HKFRSs that are mandatory effective for the current year

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time, which are mandatorily effective for the Group's annual periods beginning on or after 1 April 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

Except as disclosed below, the application of the other new and amendments to HKFRSs in the current year had no material impact on the Group's consolidated financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. **ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")** *(Continued)*

2.1 New and amendments to HKFRSs that are mandatory effective for the current year *(Continued)*

Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policy.

The Group has applied the amendments for the first time in the current year. HKAS 1 Presentation of Financial Statements is amended to replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 Making Materiality Judgements (the "**Practice Statement**") is also amended to illustrate how an entity applies the "four-step materiality process" to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group's financial positions and performance but has affected the disclosure of the Group's accounting policies set out in the consolidated financial statements.

In accordance with the guidance set out in the amendments, accounting policy information that is standardized information, or information that only duplicates or summarises the requirements of the HKFRSs, is considered immaterial accounting policy information and is no longer disclosed in the notes to the consolidated financial statements so as not to obscure the material accounting policy information disclosed in the notes to the consolidated financial statements.

2.2 Amendments to HKFRSs in issue but are not yet effective

The Group has not early applied the following amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[2]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[2]
Amendments to HKAS 1	Non-current Liabilities with Covenants[2]
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements[2]
Amendments to HKAS 21	Lack of Exchangeability[3]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2024.
3 Effective for annual periods beginning on or after 1 January 2025.

The directors of the Company anticipate that the application of all the amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. OPERATING SEGMENTS

The Group manages its businesses by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management, being the chief operating decision maker, for the purposes of resource allocation and performance assessment, the Group has presented the following five reportable segments. No operating segments have been aggregated to form any of the following reportable segments.

Brokerage	–	Provision of brokerage services
Underwriting and placing	–	Provision of underwriting and placing services
Margin financing	–	Provision of securities and initial public offering financing services
Money lending	–	Provision of money lending services
Asset management	–	Provision of asset management services

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the revenue, results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all non-current and current assets with the exception of deferred tax assets. Segment liabilities include all current liabilities and non-current liabilities with the exception of tax payables.

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation and amortisation of assets attributable to those segments.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit/(loss) represents the profit earned or loss incurred by each segment without allocation of other income and income tax expense.

3. **OPERATING SEGMENTS** *(Continued)*

Segment revenue, results and capital expenditure for the year ended 31 March 2024 and the segment assets and liabilities as at 31 March 2024 are as follows:

For the year ended 31 March 2024	**Brokerage** *HK$'000*	**Underwriting and placing** *HK$'000*	**Margin financing** *HK$'000*	**Money lending** *HK$'000*	**Asset management** *HK$'000*	**Total** *HK$'000*
Reportable segment revenue from external clients	**567**	**70,349**	**2,033**	**21,241**	**688**	**94,878**
Reportable segment (loss)/profit	**(118)**	**46,190**	**(18,747)**	**(21,624)**	**688**	**6,389**
Depreciation of property, plant and equipment	**131**	**26**	**105**	**–**	**–**	**262**
Depreciation of right-of-use assets	**361**	**72**	**288**	**–**	**–**	**721**
Impairment for trade receivables, net	**2,188**	**–**	**17,504**	**–**	**–**	**19,692**
Impairment for loan and interest receivables, net	**–**	**–**	**–**	**38,127**	**–**	**38,127**
Loss on disposal of loan receivables	**–**	**–**	**–**	**2,146**	**–**	**2,146**
Reportable segment assets	**32,279**	**17,965**	**25,829**	**196,897**	**356**	**273,326**
Reportable segment liabilities	**12,523**	**1,347**	**7,707**	**365**	**–**	**21,942**

Segment revenue, results and capital expenditure for the fifteen months ended 31 March 2023 and the segment assets and liabilities as at 31 March 2023 were as follows:

For the fifteen months ended 31 March 2023	Brokerage *HK$'000*	Underwriting and placing *HK$'000*	Margin financing *HK$'000*	Money lending *HK$'000*	Asset management *HK$'000*	Total *HK$'000*
Reportable segment revenue from external clients	1,269	714	3,905	43,237	–	49,125
Reportable segment loss	(3,181)	(2,274)	(18,114)	(102,258)	–	(125,827)
Depreciation of property, plant and equipment	63	13	50	–	–	126
Depreciation of right-of-use assets	1,360	272	1,089	–	–	2,721
Impairment for trade receivables, net	2,494	1,001	2,961	–	–	6,456
Impairment for loan and interest receivables, net	–	–	–	143,107	–	143,107
Impairment for other receivables	1,232	985	246	1,100	–	3,563
Reportable segment assets	17,465	147	16,804	224,507	–	258,923
Additions to non-current segment assets	976	195	781	–	–	1,952
Reportable segment liabilities	9,727	97	3,622	270	–	13,716

3. OPERATING SEGMENTS *(Continued)*

The totals presented for the Group's operating segments are reconciled to the Group's key financial figures as presented in the consolidated financial statements as follows:

	For the year ended 31 March 2024 *HK$'000*	For the fifteen months ended 31 March 2023 *HK$'000*
Reportable segment profit/(loss)	**6,389**	(125,827)
Other income	**1,188**	125
Profit/(loss) before income tax	**7,577**	(125,702)
Reportable segment assets	**273,326**	258,923
Deferred tax assets	**334**	334
Consolidated total assets	**273,660**	259,257
Reportable segment liabilities	**21,942**	13,716
Tax payables	**12,521**	9,736
Consolidated total liabilities	**34,463**	23,452

All activities of the Group are carried out in Hong Kong and all its revenue for the year ended 31 March 2024 and the fifteen months ended 31 March 2023 are derived from Hong Kong. Accordingly, no analysis of geographical information is presented.

Information about major customers

Revenue from major customers, each of whom amounted to 10% or more of the Group's revenue, is set out below:

	For the year ended 31 March 2024	
	Revenue *HK$'000*	**Percentage of revenue**
Customer A[1]	**25,610**	**26.99%**
Customer B[1]	**13,725**	**14.47%**
Customer C[1]	**10,310**	**10.87%**

[1] Revenue from underwriting and placing segment.

Save and except for the above, no other single customer contributed 10% or more to the Group's revenue for the year ended 31 March 2024. For fifteen months ended 31 March 2023, no single customer contributed 10% or more to the Group's revenue.

4. REVENUE

The Group's revenue represents:

	For the year ended 31 March 2024 *HK$'000*	For the fifteen months ended 31 March 2023 *HK$'000*
Revenue recognised under HKFRS 9		
– Interest income from margin financing services	**2,033**	3,905
– Interest income from money lending services	**21,241**	43,237
	23,274	47,142
Revenue recognised at a point in time under HKFRS 15		
– Commission income from brokerage services	**567**	1,119
– Underwriting and placement income	**70,349**	714
– Income from asset management services	**688**	150
	71,604	1,983
	94,878	49,125

5. OTHER INCOME

	For the year ended 31 March 2024 *HK$'000*	For the fifteen months ended 31 March 2023 *HK$'000*
Government grant	**1,092**	–
Gain on derecognition of right-of-use assets	**–**	30
Bank interest income	**22**	–
Interest income from a director	**60**	17
Sundry income	**14**	78
	1,188	125

6. FINANCE COSTS

	For the year ended 31 March 2024 *HK$'000*	For the fifteen months ended 31 March 2023 *HK$'000*
Interest expenses on lease liabilities	**23**	76
Interest expenses on debentures	**–**	89
	23	165

7. PROFIT/(LOSS) BEFORE INCOME TAX

	For the year ended 31 March 2024	For the fifteen months ended 31 March 2023
	HK$'000	*HK$'000*
Profit/(loss) before income tax is arrived at after charging:		
Auditor's remuneration *(Note)*	**600**	540
Depreciation charge *(Note)*:		
– property, plant and equipment	**262**	126
– right-of-use assets	**721**	2,721
Marketing and business development expenses *(Note)*	**8,467**	–

Note: These expenses are included in "**administrative and other operating expenses**" in the consolidated statement of profit or loss and other comprehensive income.

8. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits during both year/period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime effective from the year of assessment 2018/2019. The first HK$2,000,000 of assessable profits of this subsidiary is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

	For the year ended 31 March 2024	For the fifteen months ended 31 March 2023
	HK$'000	*HK$'000*
Current tax – Hong Kong Profits Tax		
– Current year	**4,185**	–
Deferred tax	**–**	–
Total income tax expense	**4,185**	–

9. DIVIDENDS

The directors of the Company do not recommend the payment of any dividend for the year ended 31 March 2024 (2023: Nil).

10. EARNINGS/(LOSS) PER SHARE

The calculation of basic and diluted earnings/(loss) per share for the year ended 31 March 2024 and the fifteen months ended 31 March 2023 is based on the following data:

	For the year ended 31 March 2024	For the fifteen months ended 31 March 2023
	HK$'000	*HK$'000*
Profit/(loss) attributable to the owners of the Company	**3,392**	(125,702)

	Weighted average number of ordinary shares	
	For the year ended 31 March 2024	For the fifteen months ended 31 March 2023
For purpose of basic and diluted earnings/(loss) per share	**124,416,000**	104,333,222

The weighted average number of ordinary shares for the purpose of basic loss per share for the fifteen months ended 31 March 2023 has been adjusted for the consolidation of shares on 11 October 2022.

For the fifteen months ended 31 March 2023, the computation of diluted loss per share does not assume the exercise of the Company's options since their assumed exercise would result in a decrease in loss per share.

For the year ended 31 March 2024, the computation of diluted earnings per share does not assume the exercise of the Company's options because the exercise price of the options was higher than the average market price.

11. OTHER ASSETS

The balances represent statutory and other deposits which are placed with various exchanges and clearing houses at the end of the reporting period. These balances do not bear interest.

12. TRADE RECEIVABLES

	Notes	At 31 March 2024 HK$'000	At 31 March 2023 HK$'000
Trade receivables arising from the business of margin financing and brokerage services:			
– Cash clients	(a),(b)	**4,540**	4,241
– Margin finance loans	(a)	**46,090**	44,691
– Clearing house	(a),(b)	**108**	480
Trade receivables arising from the business of underwriting and placement services	(c)	**12,537**	1,001
Trade receivable arising from the business of asset management services	(c)	**356**	–
Trade receivables, gross		**63,631**	50,413
Less: allowance for expected credit losses on trade receivables		**(51,389)**	(31,697)
Trade receivables, net		**12,242**	18,716

Notes:

(a) These balances are required to be settled on the settlement dates of their respective transactions (normally one or two business days after the respective trade dates). The trade receivables from cash clients bear interest at commercial rates (normally at HK$ Prime Rate plus a spread).

These are secured by clients' pledged securities, repayable on demand and bear interest at variable commercial rates. No ageing analysis is disclosed, as in the opinion of the directors of the Company, this analysis does not give additional value in view of the nature of business of margin financing and brokerage services. As at 31 March 2024, total market value of securities pledged as collaterals in respect of the margin finance loans were approximately HK$282,000 (31 March 2023: approximately HK$9,268,000). The collaterals held can be repledged and can be sold at the Group's discretion to settle any outstanding amounts due from margin clients. The amount of credit facilities granted to them is determined based on a discount on the market value of securities accepted by the Group. Any excess in the lending ratio will trigger a margin call which the clients have to make good the shortfall.

(b) Trade receivables arising from cash clients and clearing house, if any, with the following ageing analysis, presented based on the trade date which is the revenue recognition date, as at the end of the reporting period:

	At 31 March 2024 HK$'000	At 31 March 2023 HK$'000
Current	**4,648**	4,721

12. TRADE RECEIVABLES *(Continued)*

(c) The following is an aged analysis of trade receivables arising from the business of underwriting and placement services and asset management services, net of allowance for credit losses, presented based on the invoice dates:

	At 31 March 2024 *HK$'000*	At 31 March 2023 *HK$'000*
Within three months	**11,892**	–

13. TRADE PAYABLES

	At 31 March 2024 *HK$'000*	At 31 March 2023 *HK$'000*
Trade payables arising from the business of margin financing and brokerage services:		
– Cash clients	**2,317**	6,324
– Margin clients	**5,785**	3,236
– Clients' deposits	**98**	100
	8,200	9,660

Notes:

(a) The settlement terms of trade payables arising from the business of margin financing and brokerage services are two days after trade date. Trade payables to clients bear variable interest at commercial rates.

(b) Trade payables included payable to clients and other institutions in respect of the trust and segregated bank balances received and held for clients in the course of conducting the regulated activities. However, the Group currently does not have an enforceable right to offset these payables with the deposits placed.

(c) No ageing analysis in respect of trade payables attributable to dealings in securities transactions is disclosed as, in the opinion of the directors of the Company, this analysis does not give additional value in view of the nature of business of margin financing and brokerage services.

14. SHARE CAPITAL

	At 31 March 2024		At 31 March 2023	
	Number	***HK$***	Number	*HK$*
Authorised share capital				
At the beginning of the year/period	**4,000,000,000**	**200,000,000**	20,000,000,000	200,000,000
Share consolidation *(Note a)*	**–**	**–**	(16,000,000,000)	–
At the end of the year/period	**4,000,000,000**	**200,000,000**	4,000,000,000	200,000,000
Issued and fully paid				
At beginning of the year/period	**124,416,000**	**6,220,800**	432,000,000	4,320,000
New shares issued (HK$0.01 each) *(Note b)*	**–**	**–**	86,400,000	864,000
New shares issued (HK$0.05 each) *(Note c)*	**–**	**–**	20,736,000	1,036,800
Share consolidation *(Note a)*	**–**	**–**	(414,720,000)	–
At the end of the year/period	**124,416,000**	**6,220,800**	124,416,000	6,220,800

The shareholders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets and in all other respects.

Note a: Pursuant to the ordinary resolution passed on 7 October 2022, the Company implemented the share consolidation whereby every five issued and unissued ordinary shares of par value of HK$0.01 each in the share capital of the Company were consolidated into one consolidated ordinary share of par value of HK$0.05 each of the Company effective on 11 October 2022.

Note b: On 13 May 2022, the Company entered into shares subscription agreements with Instant Idea Limited and Wealthbase Global Limited for the subscription of 86,400,000 new ordinary shares of the Company of nominal value of HK$0.01 each ("**Subscription Share(s)**") at a subscription price of HK$0.08 per Subscription Share ("**Shares Subscription**").

The Shares Subscription completed on 27 May 2022 with net proceeds of approximately HK$6,612,000 raised.

Note c: On 1 November 2022, the Company entered into the placing agreement with Gransing Securities Co., Limited ("**Placing Agent**"), pursuant to which the Company agreed to place through the Placing Agent up to a maximum of 20,736,000 placing shares ("**Placing Shares**") to not less than six placees at the placing price of HK$0.22 per Placing Share on a best effort basis ("**Placing**").

The Placing completed on 16 November 2022 with net proceeds of approximately HK$4,250,000 raised.

15. EVENT AFTER THE REPORTING PERIOD

Application for a review by the GEM Listing Review Committee

As disclosed in the announcement of the Company dated 21 March 2024 in relation to, among other things, the GEM Listing Committee of the Stock Exchange had decided to uphold the decision (the "**GEM Listing Committee Decision**") of the listing division of the Stock Exchange to suspend trading in the Company's shares under Rule 9.04(3) of the GEM Listing Rules. Pursuant to Rule 4.06(2) of the GEM Listing Rules, the Company has the right to have the GEM Listing Committee Decision referred to the GEM Listing Review Committee of the Stock Exchange (the "**GEM Listing Review Committee**") for a further and final review.

On 3 April 2024, the Company filed an application for a review by the GEM Listing Review Committee in relation to the GEM Listing Committee Decision. For more details, please refer to the announcement of the Company dated 21 March 2024 and 3 April 2024.

Subscription of Fund

On 3 May 2024, the Company entered into the subscription agreement with Orient Global Master SPC (the "**Fund**"), an exempted company incorporated with limited liability and registered as a segregated portfolio company under the laws of Cayman Islands. Pursuant to which the Company agreed to subscribe for the participating shares attributable to the segregated portfolio in the capital of the Fund, at a total subscription amount of US$300,000 (equivalent to approximately HK$2,340,000). For more details, please refer to the announcements of the Company dated 3 May 2024 and 7 May 2024.

Suspension of duties and powers of an executive Director

After conduct a comprehensive assessment throughout the year regarding the internal control, ongoing monitoring, and loan recovery of the Group's money lending business (the "**Money Lending Business**") by the Board. The findings of the said assessment reveal an oversight in registering loan collaterals in China and limited progress in the management's loan recovery efforts. Consequently, the Group continues to bear impairment losses on the loan receivables.

After careful consideration of the above circumstances and with the aim of addressing any concerns that the Company's management, shareholders of the Company (the "**Shareholders**"), or potential investors may have regarding the responsibilities of Ms. Lee Nga Ching ("**Ms. Lee**"), an executive Director overseeing the Money Lending Business, the Board has resolved the decision to suspend Ms. Lee's duties with effect from 18 June 2024 until further notice (the "**Suspension**").

The Board considers that the Suspension would not affect the daily operation of the Group in any material respects and the current operation of the Group is normal and stable. The Company will closely monitor any further information relating to Ms. Lee and will make further announcement(s) in accordance with the requirements of the GEM Listing Rules as and when appropriate.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Group is an integrated financial services provider licensed to (i) conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance ("**SFO**") (Chapter 571 of the laws of Hong Kong) (collectively, the "**License Business**") and (ii) money lending business, through its subsidiaries. Over the years, the Group aims to establish an integrated platform for providing a wide range of financial services to its clients. During the year ended 31 March 2024 ("**FY2023/24**"), the principal activities of the Group mainly include (a) brokerage services and relevant service income; (b) underwriting and placing services; (c) securities, initial public offering financing services; (d) money lending services; and (e) asset management services.

During the FY2023/24, the increasing complexity of the global situation, the political instability between Russia and Ukraine and the tightening of monetary policy have posed challenges to the global investment environment, leading to a downturn in market sentiment and a certain impact on the performance of capital markets in Hong Kong. Against the backdrop of geopolitical tensions, continued volatility in the macroeconomic and market environment, and the worldwide high interest rates, the Hong Kong stock market continued to experience volatility in 2023 but the overall trend was weak. Although the Hang Seng Index rose to 22,700 points in January 2023 amidst the relaxation of epidemic control measures and expectations of recovery, the upward trend was unsustainable thereafter. The average daily turnover of the Hong Kong securities market in 2023 was HK$105 billion, representing a decrease of 15.9% from the average of HK$124.9 billion in 2022.

THE UNDERWRITING AND PLACING BUSINESS

The Group's management and execution team have been working hard to diversify its services and increase its income source despite the challenging industry environment. This has been achieved by placing offshore urban investment bonds, which are debt instruments issued by local Chinese government financing vehicles (the "**LGFVs**"), in offshore listed bond and interbank bond markets. The LGFVs are separate legal entities established by local governments and their affiliates to raise financing for public welfare investment or infrastructure projects. These projects have been initiated since the fourth quarter of 2023 and have accomplished 10 bond issuances and contributed approximately HK$68 million to the Group's revenue for FY2023/24. The services provided are similar to the traditional placement services offered by the Group.

The Directors have observed the changes and challenges of the initial public offering ("**IPO**") market environment in Hong Kong, and to address them, they pursued diversifying the Group's focus on offshore urban construction bonds. This strategic move helped the Group expand its network to include institutional clients, thereby reducing reliance on individual clients, which is not considered sustainable over the long term. Furthermore, the Directors have expressed confidence in the placing and underwriting business as a viable and sustainable venture that can contribute significantly to the Group's long-term growth and success. Currently, the Chinese government has implemented measures to facilitate the return of corporate foreign debt funds, fund use, and financing leverage ratios. Therefore, the funds raised through overseas debt are less restricted in their use and return. It is expected that there will be high market demand for subscription of urban investment bonds and the Directors are confident that the underwriting and placing business will continue to grow.

Apart from developing the License Business, the Group has also explored other business opportunities to expand and diversify its existing business. The Group has been developing its Type 9 (asset management) license business since 2019 by offering investment advisory services to established funds and investors on both a discretionary and non-discretionary basis. Additionally, the Group is considering expanding the corporate finance advisory business through acquisition, with particular focus on those Type 6 licensed corporations under the SFO that have an established network of clients and active deals in the pipeline; the horizontal expansion into corporate finance advisory aspect not only enhances the Group's service scope but also enable the Company to provide a one-stop service for the clients, and as a result creates client stickiness benefits in establishing long term client relationship. The Board is confident that expanding the scope of professional services will increase market share by capturing the needs of high-net-worth and corporate clients and offering a diversified range of professional advisory, brokerage, corporate finance, investment, and financing services within a one-stop platform.

THE MONEY LENDING BUSINESS

The business model

The Group has operated its money lending business through its wholly-owned subsidiary, Orient Securities Finance Limited ("**OSFL**"), is a licensed money lender under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong).

Based on the existing business model of OSFL, OSFL offers loan financing to private companies and/or individuals provided with collaterals or securities which are mainly real estate assets located in Hong Kong or the PRC. OSFL also offers unsecured personal loans which are not secured against any asset or properties.

As at 31 March 2024, OSFL had 41 individual customers, which 33 of them were property mortgage loan customers and 8 of them were term loan customers.

All of the Group's customers are introduced to the directors of OSFL through business/ personal networks or are referred to OSFL by its existing or former customers. There is no specific target loan size but each application would be dealt on its own merit. The Group finances this money lending business mainly by internal resources.

The internal control procedures in place

The internal control procedures of OSFL could be simply classified into (i) assessment and approval; and (ii) monitoring and recovery.

Assessment and approval

Prior to entering into of a loan agreement, the Group shall complete credit assessment for applicants for its money lending services. In assessing their creditworthiness, the Group primary focus on the collateral and security (if any) offered as well as the applicant's background. In respect of the secured loans, the size of loans offered to its customers is dependent upon the type of property to be secured (i.e. residential, commercial or other) with reference to the value of the underlying security, or the residual value of the underlying security once any prior securities have been valued and assessed. In majority of cases, the Group grants secured loans with a loan-to-value ratio of no more than 60% of the value in the valuation report of the property.

When a loan agreement is signed and before the drawdown of the secured loan, OSFL is required to report to the State Administration of Foreign Exchange ("**SAFE**") of the People's Republic of China ("**PRC**") of the amount of the loan and the terms of the relevant loan agreement, and obtain the necessary approval from SAFE. In respect of the unsecured loans, the Group should conduct annual review on each unsecured loan which remains outstanding and if the Group notices that there is a material deterioration in the borrower's financial position, the Group may require repayment from its client after reporting to its management who monitor the risk level. The Group evaluates collateral according to various matrices, such as their liquidity, market value volatility and type. In addition to the collateral, the Group's credit assessment department takes into account the client's occupation, financial condition, reputation, investment purpose, securities concentration, asset proof and credit history, which facilitate the Group's assessment on the client's repayment ability. Where insufficient information is provided, the Group may conduct credit search with external agencies to obtain background information and credit history of its client.

The approval process for granting loans include the completion of account opening form (for new customer) and know-your-customer assessment. The finance department would verify the information obtained (including identity, business background information and collateral information), check against supporting documents (including identity documents, address proof, securities statements, documents by conducting public searches and financial statements (for corporate borrowers)) and initiate credit assessment form for further processing. The board of directors of OSFL would be responsible for approving the grant of the loan.

The approval process for extending the loans include (i) the borrower is required to sign an irrevocably undertaking in favour of OSFL that he/she will cooperate with OSFL to complete all rectification procedures, if any; (ii) appraise the value of the collateral and demonstrate the conditions of the collateral as if it is ready for disposal; (iii) during the extension period, the borrower is obliged to repay the outstanding interest during the term of extension, and the loans are repayable on demand; and (iv) OSFL reserves the right to take legal action against the borrower in the event of default. The board of directors of OSFL would be responsible for approving the extension of the loan.

The accounting and finance department maintains a record of customer's loan and the repayment dates. The accounts team will also work with the credit administration team to monitor repayment and issue reminders and alerts for overdue instalments, where necessary, and when the loan is near expiry

Ongoing monitoring and loan recovery

During the monitoring stage, the Group's credit risk management department monitors the repayment status of each loan on a monthly basis and is required to report to those charged with governance.

The board of directors of OSFL meets once a month to review the status of all customers, discuss necessary actions required and serves as an input for loan classification in assessing the impairment loss on loan receivables for financial reporting purpose. The board of directors of OSFL would report to the Board the latest status of loan receivables monthly, and the Board will give necessary instruction to the board of directors of OSFL to enhance the efficiency in implementation of the necessary actions required.

The actions taken for recovering delinquent loans would include examination and evaluation of the relevant loan status, discussion with the customer and internal discussion about formulating possible action plan. Recovery strategy involve a wide range of actions including revision of repayment terms, addition of collaterals/guarantee, execution of settlement agreement, foreclosure of collaterals/enforcement of guarantees and commencement of legal proceedings.

The Group strives to strike a successful balance in its business operations and risk management by adhering to its credit policies in order to control the quality of its loan portfolio. The Group has also appointed an independent internal control advisor to conduct independent review on adequacy and effective of internal control systems of the Group's money lending business.

Major terms of the loans granted

As at 31 March 2024, there are 42 outstanding loan accounts maintained in the Group's loan portfolio, and the average principal amount of the loan ranges from approximately HK$38,000 to HK$14,000,000. The loan term of the said loan portfolio ranges from 12 months to 60 months.

Based on the outstanding Group's loan portfolio, approximately 91.7% of the total amount of the outstanding loans are secured by collaterals with annual interest rate ranging from 8% to 14.5% per annum. For those unsecured loans, which account for approximately 8.3% of the total amount of the outstanding loans, the annual interest rate charged ranging from 10% to 24% per annum.

The impairment assessment and recognition for the year ended 31 March 2024

The Group, based on the applicable accounting standards, applies the general approach, which is generally referred to as the "three-stage" model under the Hong Kong Financial Reporting Standards 9 "Financial Instrument", in with the expected credit losses ("**ECL**") of the loan and interest receivables are determined based on (i) the changes in credit quality of the loan and interest receivables since initial recognition; and (ii) the estimated expectation of an economic loss of the loan and interest receivables under consideration.

Under the general approach, there are two measurement bases for the allowance of ECL: (a) 12-month ECL, which are the ECL that result from default events that are possible within 12 months after the reporting date and are calculated as the allowance for ECL on a loan receivable weighted by the probability of default accumulated over the 12 months after the reporting date; (b) lifetime ECL, which are the ECL that result from all possible default events over the expected life of a loan receivable and are calculated as the allowance for ECL on a loan receivable weighted by the probability of default accumulated over the entire life of the loan receivable.

The allowance for ECL on loan and interest receivables are derived from gross credit exposure, recovery rate and probability of default. The Group uses the following ECL formula to calculate the allowance for ECL on its loan and interest receivables:

Discount factor x probability of default x loss given default x exposure at default

For ECL assessment, the Group's loan and interest receivables are classified as follows:

(i) Stage 1 (Performing) includes loan receivables that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these loan receivables, 12-month ECL are recognised.

(ii) Stage 2 (Underperforming) includes loan receivables that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these loan receivables, lifetime ECL are recognised.

(iii) Stage 3 (Non-performing) includes loan receivables that have objective evidence of impairment and are considered as credit-impaired financial assets at the reporting date. For these loan receivables, lifetime ECL are recognised.

As at 31 March 2024, an aggregate amount of impairment for the ECL of approximately HK$181,116,000 was recognised in stage 3 for the year ended 31 March 2024.

The Group engaged Win Bailey Valuation and Advisory Limited ("**Win Bailey**"), as the independent professional valuer to carry out an assessment of the ECL.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, Win Bailey and its ultimate beneficial owners are independent third parties and not connected with the Company and its connected persons (as defined in the GEM Listing Rules).

Events leading to the impairment

The Group had engaged Beijing Jincheng Tongda & Neal (Guangzhou) Law Firm* (北京金誠同達(廣州)律師事務所) ("**Beijing Jincheng**") to review, in particular the followings:

– the PRC rules and regulations that is applicable to the Group on cross-border security and guarantee arrangements;

– the necessary reporting and/or filling procedures that is required to carry out before making a cross-border financing transaction;

– the rectification measures for issues arising from deficiencies in the Group's policies and procedures; and

– the enforcement process in the PRC and a preliminary estimation on the successful rate, cost and timing of liquidating or realising the value of collateral of borrowers in the PRC.

Base on the legal opinion of Beijing Jincheng, the Board realised that the situation for the abovementioned matters have not material changes since the fifteen months ended 31 March 2023. The procedures for liquidating or otherwise realising the value of collateral of borrowers in the PRC may be protracted or ultimately unsuccessful, and the enforcement process in the PRC may be difficult for legal and practical reasons. Moreover, there is no assurance that the Group will be able to realise the value of collateral in a timely matter.

* *For identification purpose only*

Win Bailey had considered the legal opinion obtained by the Board, and considered that the enforcement application for assets and liquidating or realising the value of such assets may be time consuming or ultimately unsuccessful. Also, Win Bailey had conducted assessment on the value of the collateral which indicated a significant decline due to a downturn in the PRC real estate market in FY2023/24. Based on this, Win Bailey was of the view that the Group are exposed to risk of losing a significant outstanding amount of such loans. Therefore, a significant loss ratio with a range of 25.9% to 99.5% were applied by the Win Bailey after considering the external credit rating, repayment history, past due and default status of the debtors, as well as the progress of legal actions taken by the Company for the recovery of the loan and interest receivables.

In order to ensure the adequacy of allowance for ECL on loan and interest receivables for the year ended 31 March 2024, after considering the valuation basis adopted, value of inputs used and the key assumptions applied by the Win Bailey, the Board considered that the amount of impairment for the ECL allowance is consistent with updated legal view on the Group's loan recoverability and also the deteriorating market environment and expectation.

Set out below is the table showing details of customers where material recognition on ECL allowance were noted during the year ended 31 March 2024.

Category	No of loans	No of customers	Relationship with the Company and its connected persons	Interest rate	Maturity period	Loan and interest receivables (before accumulated ECL allowance) as at 31 March 2024 *HK$ million*	Accumulated ECL allowance as at 1 April 2023 *HK$ million*	Recognition of ECL allowance for the year ended 31 March 2024 *HK$ million*	Accumulated ECL allowance as at 31 March 2024 *HK$ million*	Type of guarantee/ security	The Group's assessment on credit risk
Secured loans	34	33	Independent third parties	Ranging from 8% to 14.5% per annum	0 to 16 months	346.5	131.5	39.1	170.6	Secured by collateral which are mainly real estate assets located in the PRC	Considered manageable
Unsecured loans	8	8	Independent third parties	Ranging from 10% to 24% per annum	0 to 18 months	31.4	11.5	(1.0)	10.5	Personal guarantee	Considered manageable
Total	**42**	**41**				**377.9**	**143.0**	**38.1**	**181.1**		

During the FY2023/24, the overall management oversight is provided by Ms. Lee Nga Ching, who is the execute Director. She has over ten years of experience in the industry and is primarily responsible for, among others, carry out, supervising and monitoring the daily money lending activities, reviewing and implementing the company's internal procedure and handling recoverability of all outstanding debts.

Maturity profile of loan receivables

The following table sets forth the distribution of the remaining maturity as at 31 March 2024:

	As at 31 March			
	2024		2023	
	Net amount *HK$'000*	**%**	Net amount *HK$'000*	%
Within one year	**182,833**	**93**	207,220	93
1 year to 5 years	**13,899**	**7**	15,404	7
	196,732	**100**	222,624	100

FINANCIAL REVIEW

For the financial year ended 31 March 2024 (the "**FY2023/24**" or the "**Year**"), the Group's principal business remained to act as an integrated financial service provider licensed to (i) conduct Type 1 (dealing in securities) regulated activity under the SFO; (ii) conduct Type 9 (asset management) regulated activity under the SFO; and (iii) money lending business, through its subsidiaries.

Revenue

Over the years, the Group aims to establish a full-service platform for its clients with integrated financial services tailored to their varying needs. During the Year, the Group operates its business through its main operating subsidiaries, namely Orient Securities Limited ("**OSL**") and OSFL and its income mainly generated from (a) brokerage services and relevant service income; (b) underwriting and placing services; (c) asset management services; and (d) money lending services.

Set out below is the breakdown of the Group's total revenue for the year ended 31 March 2024:

	For the year ended 31 March 2024 *HK$'000*	For the fifteen months ended 31 March 2023 *HK$'000*
Revenue recognised under HKFRS 9		
– Interest income from margin financing services	**2,033**	3,905
– Interest income from money lending services	**21,241**	43,237
Revenue recognised at a point in time under HKFRS 15		
– Commission income from brokerage services	**567**	1,119
– Underwriting and placement income	**70,349**	714
– Service income	**688**	150
Total	**94,878**	49,125

(i) Brokerage and related financial services

During the Year, there was no significant improvement was seen in the domestic economy and investment sentiment remained bleak. According to the statistics released by the Stock Exchange, the average daily turnover on the main board and GEM of the Stock Exchange dropped by approximately 15.9% from HK$124.9 billion in 2022 to HK$105 billion in 2023 and the Hang Seng Index finally closed at 17,047 points at the end of 2023, representing cumulative decline of 2,734 points, or 13.8%, for the year, indicating that both stock market performance and trading incentive were still sluggish. Suffering from the aforementioned factors, the Group's securities brokerage income, which represented approximately 0.6% of the Group's total income, has dropped to approximately HK$567,000 (For the fifteen months ended 31 March 2023: approximately HK$1,119,000).

As at 31 March 2024, the Group had 595 active securities accounts as reported pursuant to SFO (31 March 2023: 617 active securities accounts).

(ii) Underwriting and placing services

For the Year, the Group recorded approximately HK$70,349,000 placing commission income (For the fifteen months ended 31 March 2023: approximately HK$714,000), which represented an increase of approximately HK$69,635,000 or 9,753% compared with the fifteen months ended 31 March 2023. The increase is mainly due to the Group's management developing a new business stream, provide placement service for offshore urban investment bonds, which are debt instruments issued by LGFVs, in offshore listed bond and interbank bond markets. These projects contributed approximately HK$68 million to the Group's revenue for FY2023/24. However, given the sluggish market conditions, the Group adheres to its prudent business strategies and stringent risk management measures and therefore no underwriting services had been offered during the Year.

(iii) Asset management services

During the Year, the Group recognised an asset management fee of approximately HK$688,000 (For the fifteen months ended 31 March 2023: approximately HK$150,000).

(iv) Money lending business

The money lending business is conducted by the Group's wholly-owned subsidiary, OSFL, which is a licensed money lender under the Money Lenders Ordinance (Chapter 163 of the laws of Hong Kong).

As disclosed in the annual report of the Group for the fifteen months ended 31 March 2023, the Board had resolved to scale down its money lending business by no longer approving new loan applications. Instead, it will focus solely on the extension and recovery of existing loans.

For the Year, the interest income from money lending services amounted to approximately HK$21,241,000 (For the fifteen months ended 31 March 2023: approximately HK$43,237,000). The decrease is mainly due to calculate the interest income based on the credit risk assessment of the Group's loan portfolio which had been changed from stage 2 to stage 3 in accordance with the applicable financial reporting standards, the interest income from money lending services for the Year was recognised and calculated based on the net carrying amount (that is, the gross carrying amount less the expected credit loss allowance). Comparatively, the interest income from money lending services for the fifteen months ended 31 March 2023 was recognised and calculated based on the loan's gross carrying amount (that is, without deduction for the expected credit loss allowance).

Employee costs

The total employee costs for the Year was approximately HK$5.9 million (For the fifteen months ended 31 March 2023: approximately HK$10.2 million). The decrease is mainly due to the absent of recognition of equity-settled share based expense approximately HK$1,987,000 during the Year.

	For the year ended 31 March 2024 *HK$'000*	For the fifteen months ended 31 March 2023 *HK$'000*
Commission paid to staff	**62**	227
Directors' emoluments and staff salaries, bonus and allowances	**5,601**	7,339
Equity-settled share based expense	**–**	1,987
Other staff costs including MPF and insurance	**230**	622
	5,893	10,175

Administrative and other operating expenses

The total administrative and other operating expenses for the Year was approximately HK$22.6 million (For the fifteen months ended 31 March 2023: approximately HK$11.5 million). Such increase was mainly due to (i) the marketing and business development expenses rendering to the new business stream, provide placement service for offshore urban investment bonds for the Year approximately HK$8.5 million; and (ii) during the Year, the Group appointed a debt collection agency for recovery of certain outstanding interest receivables. Up to 31 March 2024, the Group has successfully recovered approximately HK$5 million interest receivables and base on the agreement entered into between the Group and the debt collection agent, the Group settled a fee of HK$2 million as an agreed reward (For the fifteen months ended 31 March 2023: Nil).

Loss on disposal of loan receivables

During the Year, the Group had assigned three loans receivables approximately HK$4 million (net carrying amount) in total and in return, the Group had received approximately HK$1.9 million. As a result, the Group incurred approximately HK$2.1 million loss on disposal of loan and interest receivables during the Year (For the fifteen months ended 31 March 2023: Nil).

Income tax expenses

The income tax expenses for the Year was approximately HK$4.2 million (For the fifteen months ended 31 March 2023: Nil). Such increase was because of the increase of assessable profits of a subsidiary under Hong Kong profits tax.

Profit for the year

The Group recorded a net profit attributable to owners of the Company of approximately HK$3.4 million for the Year (For the fifteen months ended 31 March 2023: approximately loss of HK$125.7 million).

Such turnaround was primarily attributable to an increase in revenue from the placement services generated through the placement of offshore urban investment bonds, generating approximately HK$68 million during FY2023/24.

USE OF PROCEEDS FROM THE PLACING OF NEW SHARES UNDER GENERAL MANDATE

References are made to the announcements of the Company dated 1 November 2022 and 16 November 2022 respectively in relation to, among other things, the allotment and issuance of an aggregate of 20,736,000 new ordinary shares of the Company to not less than 6 placees under the general mandate at a placing price of HK$0.22 per placing share.

The net proceeds from the placing of the placing shares at the time of its completion on 16 November 2022 were approximately HK$4,250,000. As at 31 March 2024, the net proceeds from the placing shares had been fully utilised as intended as follows:

	Intended use of Net Proceeds *HK$'000*	Amount unutilised up to 31 March 2023 *HK$'000*	**Amount utilised up to 31 March 2024** ***HK$'000***	**Amount unutilised up to 31 March 2024** ***HK$'000***
Repayment of part of the Group's current debt, general working capital of the Group and/or any investment opportunities as identified by the Group from time to time	4,250	814	**(814)**	–
	4,250	814	**(814)**	–

LIQUIDITY, FINANCIAL RESOURCES

As at 31 March 2024, the Group had net current assets of approximately HK$224.1 million (2023: approximately HK$218.4 million), including cash and bank balances of approximately HK$41.7 million (2023: approximately HK$5.8 million). The current ratio, being the ratio of current assets to current liabilities, was approximately 7.5 times as at 31 March 2024 (2023: 10.41 times). The gearing ratio, which is calculated by dividing total interest-bearing debt (that is, debentures) by total equity. As at 31 March 2024, the Group did not have any interest-bearing debt and hence, no gearing ratio is computed for the end of the Year. (2023: Nil).

CAPITAL STRUCTURE

The capital of the Company comprises only ordinary shares. As at 31 March 2024, total equity attributable to owners of the Company amounted to approximately HK$239.2 million as at 31 March 2024 (2023: approximately HK$235.8 million).

EMPLOYEE INFORMATION

Total employee costs for the Year was approximately HK$5.9 million (For the fifteen months ended 31 March 2023: approximately HK$10.2 million). The Group's remuneration policies are formulated on the basis of performance, qualifications and experience of individual employee and make reference to the prevailing market conditions. Our remuneration packages comprise monthly fixed salaries and discretionary year-end bonuses based on individual performance, which are paid to employees as recognition of, and reward for, their contributions.

CHARGES ON THE GROUP'S ASSETS

The Group did not have any charge arranged with any financial institution in Hong Kong as at 31 March 2024 (2023: Nil).

FOREIGN EXCHANGE EXPOSURE

The revenue and business costs of the Group were principally denominated in Hong Kong dollars ("**HKD**") and Renminbi ("**RMB**"), while most of the Group's monetary assets and liabilities were denominated in HKD and RMB. The Group's financial statements are prepared in HKD. As the RMB is not a freely convertible currency, any fluctuation in the exchange rate of HKD against RMB may have impact on the Group's results. Although foreign currency exposure does not pose a significant risk on the Group and currently, the Group does not have hedging measures against such exchange risks, the Group will continue to take proactive measures and monitor closely the risk arising from such currency movement.

CAPITAL COMMITMENT

Save as disclosed in this announcement, as at 31 March 2024, the Group did not have any significant capital commitments (2023: nil).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Save as disclosed in this announcement, the Group had no material acquisitions or disposals of subsidiaries, associates and joint ventures during the year ended 31 March 2024.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this announcement, as at 31 March 2024, the Group did not have a plan for material investments or capital assets.

CONTINGENT LIABILITIES

On 22 September 2022, OSL, a wholly-owned subsidiary of the Company, as a defendant received a writ of summons (the "**Writ A**") issued in the Court of First Instance of the High Court of the Hong Kong Special Administrative Region by a solicitor acting for Ms. Dong Yun as a plaintiff (the "**Plaintiff A**") against OSL. As stated in the statement of claim attached to the Writ A, Plaintiff A, who was a client of OSL, claim (the "**Claim A**") against, OSL, for (i) damages for unlawful means conspiracy; (ii) interest; (iii) costs; and (iv) further and/other relief in connection with a series of alleged unlawful acts carried out by OSL with other defendants as stated in the Writ A.

After seeking professional advice from the legal advisor engaged by the Company (the "**Legal Advisor**"), and to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Board believes that the Claim A for conspiracy and/or fraud against OSL is weak to the extreme and could hardly stand up to an argument for overcoming the hurdle of time barred. By reason of the facts and analysis conducted by the Legal Advisor, the Board is of the view that the Claim A will not have any material impact on the Group's financial position.

A mediation was held on 9 May 2024 and the parties are unable to resolve the dispute. Now Claim A is under the Court's direction for the Plaintiff A to set the case down for a trial and as at the date of this announcement, OSL is waiting for further information from the Plaintiff A regarding the trial. Further announcement(s) will be made to update on the progress of Claim A as and when appropriate.

On 6 July 2023, OSL as a defendant received a writ of summons (the "**Writ B**") issued in the Court of First Instance of the High Court of the Hong Kong Special Administrative Region by a solicitor acting for Ms. Tian Juan as a plaintiff (the "**Plaintiff B**") against the OSL. As stated in the statement of claim attached to the Writ B, Plaintiff B, who was a client of OSL, claim (the "**Claim B**") against, OSL, for (i) restitution of the sum of HK$10 million; (ii) damages for fraudulent misrepresentation and deceit; (iii) pay over any assets held on trust for Plaintiff B; (iv) damages for negligence; and (v) damages for breach of the cash client agreement with Plaintiff B.

After seeking professional advice from the Legal Advisor, and to the Directors' knowledge, information and belief, having made all reasonable enquiries, the Board believes that Claim B against OSL is weak. By reason of the facts and analysis conducted by the Legal Advisor, the Board is of the view that Claim B will not have any material impact on the Group's financial position. According to the Court's order on 21 May 2024, Plaintiff B, OSL and the other defendants are to attempt to resolve the dispute by mean of mediation and provide an update to the Court by 31 July 2024. As of the date of this announcement, the date of mediation has not been fixed between the parties. Further announcement(s) will be made to update on the progress of Claim B as and when appropriate.

EVENT AFTER THE REPORTING PERIOD

APPLICATION FOR A REVIEW BY THE GEM LISTING REVIEW COMMITTEE

As disclosed in the announcement of the Company dated 21 March 2024 in relation to, among other things, the GEM Listing Committee of the Stock Exchange had decided to uphold the decision (the "**GEM Listing Committee Decision**") of the listing division of the Stock Exchange to suspend trading in the Company's shares under Rule 9.04(3) of the GEM Listing Rules. Pursuant to Rule 4.06(2) of the GEM Listing Rules, the Company has the right to have the GEM Listing Committee Decision referred to the GEM Listing Review Committee of the Stock Exchange (the "**GEM Listing Review Committee**") for a further and final review. On 3 April 2024, the Company filed an application for a review by the GEM Listing Review Committee in relation to the GEM Listing Committee Decision. For more details, please refer to the announcements of the Company dated 21 March 2024 and 3 April 2024.

SUBSCRIPTION OF FUND

On 3 May 2024, the Company entered into the subscription agreement with Orient Global Master SPC (the "**Fund**"), an exempted company incorporated with limited liability and registered as a segregated portfolio company under the laws of Cayman Islands. Pursuant to which the Company agreed to subscribe for the participating shares attributable to the segregated portfolio in the capital of the Fund, at a total subscription amount of US$300,000 (equivalent to approximately HK$2.34 million). For more details, please refer to the announcements of the Company dated 3 May 2024 and 7 May 2024.

SUSPENSION OF DUTIES AND POWERS OF AN EXECUTIVE DIRECTOR

After conduct a comprehensive assessment throughout the year regarding the internal control, ongoing monitoring, and loan recovery of the Group's money lending business (the "**Money Lending Business**") by the Board. The findings of the said assessment reveal an oversight in registering loan collaterals in China and limited progress in the management's loan recovery efforts. Consequently, the Group continues to bear impairment losses on the loan receivables.

After careful consideration of the above circumstances and with the aim of addressing any concerns that the Company's management, Shareholders, or potential investors may have regarding the responsibilities of Ms. Lee Nga Ching ("**Ms. Lee**"), an executive Director overseeing the Money Lending Business, the Board has resolved the decision to suspend Ms. Lee's duties with effect from 18 June 2024 until further notice (the "**Suspension**").

The Board considers that the Suspension would not affect the daily operation of the Group in any material respects and the current operation of the Group is normal and stable. The Company will closely monitor any further information relating to Ms. Lee and will make further announcement(s) in accordance with the requirements of the GEM Listing Rules as and when appropriate.

DISCLOESABLE TRANSACTION AND MAJOR TRANSACTION IN RELATION TO THE EXTENSION OF LOANS

Due to an inadvertent oversight, the Company has failed to promptly comply with the notification, announcement, and shareholders' approval requirements under the GEM Listing Rules regarding the transactions contemplated under the loan extension agreement(s) entered into between OSFL, a wholly-owned subsidiary of the Company and thirty-one (31) borrowers in relation to the extension of the maturity date of the respective loan facility from 3 April 2023 to 6 April 2023 (the "**Loan Extension Agreement(s)**").

In fact, the Company would like to stress that having not regarded the transactions contemplated under the Loan Extension Agreements as transactions under the GEM Listing Rules was unintentional since it was a genuine belief held by the then Board at the material time that the loan extension exercise did not fall under the notification transactions specified in Chapter 19 of the GEM Listing Rules.

With the total 34 Loan Extension Agreements, of which twenty-three (23) loans exceeded 5% but was less than 25% based on the applicable percentage ratios as defined under the GEM Listing Rules (the "**Loan Portfolio A**"). Therefore, each of the loans under Loan Portfolio A constituted disclosable transaction of the Company and was subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

In addition, of which the eleven (11) loans exceeded 25% but was less than 100% based on the applicable percentage ratios as defined under the GEM Listing Rules (the "**Loan Portfolio B**"). Accordingly, each of the loans under Loan Portfolio B constituted major transactions of the Company and was subject to the reporting, announcement, and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

An extraordinary general meeting will be convened and held for the Shareholders to consider and, if they think fit, approve the relevant resolutions regarding the extension of loans in Loan Portfolio B. For more details, please refer to the announcement of the Company dated 20 June 2024.

PURCHASE, REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 March 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to achieving and maintaining high standard of corporate governance. The Directors believe that good and effective corporate governance practices are essential for the growth of the Group and for safeguarding the interests of Shareholders and the Group's assets.

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code (the "**CG Code**") in Appendix C1 of the GEM Listing Rules. Throughout the year ended 31 March 2024 and up to the date of this announcement, to the best knowledge of the Board, the Company has complied with all the applicable code provisions set out in the CG Code, save for the deviation from code provision C.1.6 and C.2.1 as explained below.

Pursuant to C.1.6 of CG Code, the independent non-executive Directors, as equal board members, should attend general meetings to gain and develop a balanced understanding of the views of Shareholders. Due to other unavoidable engagements, two independent non-executive Directors was unable to attend annual general meeting of the Company held on 31 August 2023.

Pursuant to C.2.1 of the CG Code, the roles of chairman of the Board ("**Chairman**") and cheif executive of the Company ("**CEO**") should be separate and should not be performed by the same individual. The division of responsibilities between the Chairman and CEO should be clearly established and set out in writing.

The Company currently has no Chairman or CEO. The daily operation and management of the Company is monitored by the executive Directors as well as the senior management.

The Board is of the view that although there is no Chairman or CEO, the balance of power and authority is ensured by the operation of the Board, which comprises experienced individuals who would meet from time to time to discuss issues affecting operation of the Company and the Group. This arrangement can still enable the Company to make and implement decisions promptly, and thus achieve the Company's objectives efficiently and effectively in response to the changing environment.

The Company will, at the appropriate time, arrange for the election of the new Chairman of the Board.

NON-COMPLIANCE WITH RULES 5.05(1) AND 5.28 OF THE GEM LISTING RULES AND TERMS OF REFERENCE OF COMMITTEES

On 25 June 2024, Ms. Chan Man Yi ("**Ms. Chan**") has tendered her resignation as an independent non-executive Director due to her commitments to other business engagements, which requires greater allocation of her time and dedication. Following the resignation of Ms. Chan and up to the date of this announcement, no independent non-executive Director have been appointed in place of Ms. Chan and therefore as at the date of this announcement:

(i) the number of independent non-executive Directors fell below the minimum number as required under Rule 5.05(1) of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**");

(ii) the number of members of the audit committee of the Board (the "**Audit Committee**") fell below the minimum number as required under Rule 5.28 of the GEM Listing Rules; and

(iii) the number of members of each of the Audit Committee, the nomination committee of the Board (the "**Nomination Committee**") and the remuneration committee of the Board (the "**Remuneration Committee**") fell below the minimum number as required under the respective terms of reference of the Audit Committee, Nomination Committee and Remuneration Committee.

As at the date of this announcement, the Company is still in the process of identifying suitable candidates to fill up the vacancies and will endeavor to appoint any suitable candidates so as to fulfill the minimum requirements under Rules 5.05(1) and 5.28 of the GEM Listing Rules within three months from 25 June 2024. The Company will make further announcement(s) in relation to such appointment(s) as and when appropriate in accordance with the GEM Listing Rules.

For more details, please refer to the announcement of the Company dated 25 June 2024.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for dealing in securities of the Company by the Directors (the "**Required Standard of Dealing**"). Having made specific enquiries of all the Directors, each of them has confirmed that he/she has complied with the Required Standard of Dealing throughout the year ended 31 March 2024. No incident of non-compliance was noted by the Company during the Year.

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the year ended 31 March 2024, none of the Directors or their respective associates had engaged in or had any interest in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

ANNUAL GENERAL MEETING

The annual general meeting of the Shareholders will be held after the despatch of the annual report. The notice of annual general meeting will be published and despatched to the Shareholders in due course.

AUDIT COMMITTEE

The Audit Committee has been established with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules and code provision D.3.3 of the CG Code. The Audit Committee currently comprises two independent non-executive Directors and is chaired by Mr. Siu Kin Wai. The other member is Mr. Cheng Ching Fu. The annual results of the Group for the Year have been reviewed by the Audit Committee.

SCOPE OF WORK OF CL PARTNERS CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2024 as set out in this announcement have been agreed by the Company's Independent Auditor, CL Partners CPA Limited, to the amounts set out in the Group's consolidated financial statements for the year ended 31 March 2024. The work performed by CL Partners CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagement issued by the HKICPA and consequently no assurance has been expressed by CL Partners CPA Limited in this announcement.

PUBLICATION OF FINAL RESULTS AND DESPATCH OF ANNUAL REPORT

This results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.orientsec.com.hk). The annual report of the Company for the year ended 31 March 2024 containing all the information required by the GEM Listing Rules will be despatched to the Shareholders and published on the above websites in due course.

By order of the Board
Orient Securities International Holdings Limited
Shiu Shu Ming
Executive Director

Hong Kong, 28 June 2024

As at the date of this announcement, the Board comprises (i) Mr. Shiu Shu Ming, Ms. Lee Nga Ching (duties suspended) and Mr. Cao Weimin as the executive Directors; and (ii) Mr. Siu Kin Wai and Mr. Cheng Ching Fu as the independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM 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.

This announcement will remain on the "Latest Listed Company Information" page of the Stock Exchange website at www.hkexnews.hk for a minimum period of 7 days from the date of its publication and on the Company's website at www.orientsec.com.hk.