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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)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 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\$73,340,000 for the six months ended 30 September 2024 (For the six months ended 30 September 2023: approximately HK\$10,604,000), representing an increase of approximately 591.63%.
- Profit attributable to owners of the Company amounted to approximately HK\$10,485,000 for the six months ended 30 September 2024 (For the six months ended 30 September 2023: approximately HK\$1,777,000), representing an increase of approximately 490.04%.
- The Directors do not recommend any interim dividend for the six months ended 30 September 2024 (For the six months ended 30 September 2023: Nil).

RESULTS

The board (the “**Board**”) of directors (the “**Director(s)**”) of Orient Securities International Holdings Limited (the “**Company**”) hereby announces the unaudited condensed consolidated financial statements (the “**Interim Financial Statements**”) of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 September 2024 (the “**Reporting Period**”) together with the comparative unaudited figures for the corresponding period in 2023 (the “**Corresponding Period**” or “**2023**”), as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2024

		For the six months ended 30 September	
	Note	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Revenue	4	73,340	10,604
Other income	5	735	72
		<u>74,075</u>	<u>10,676</u>
Employee costs		(3,351)	(3,400)
Administrative and other operating expenses		(59,652)	(5,582)
Finance costs		(89)	(15)
		<u>10,983</u>	<u>1,679</u>
Profit before income tax	6		
Income tax expenses	7	(498)	–
		<u>10,485</u>	<u>1,679</u>
Profit for the period			
Other comprehensive income for the period			
Item that may be reclassified subsequently to profit or loss:			
Fair value change in financial assets at fair value through other comprehensive income		202	–
		<u>10,687</u>	<u>1,679</u>
Total comprehensive income for the period			
Profit/(loss) for the period attributable to:			
– Owners of the Company		10,485	1,777
– Non-controlling interests		–	(98)
		<u>10,485</u>	<u>1,679</u>
Total comprehensive income/(expenses) for the period attributable to:			
– Owners of the Company		10,687	1,777
– Non-controlling interests		–	(98)
		<u>10,687</u>	<u>1,679</u>
Earnings per share attributable to owners of the Company for the period			
– Basic and diluted	9	<u>8.43 HK cents</u>	<u>1.43 HK cents</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

		At 30 September 2024 <i>HK\$'000</i> (unaudited)	At 31 March 2024 <i>HK\$'000</i> (audited)
ASSETS AND LIABILITIES			
NON-CURRENT ASSETS			
Property, plant and equipment	10	1,386	483
Other assets	11	405	405
Deposit		429	–
Loan and interest receivables	12	1,165	13,899
Financial assets at fair value through other comprehensive income		7,968	–
Deferred tax assets		334	334
		11,687	15,121
CURRENT ASSETS			
Trade receivables	13	8,114	12,242
Loan and interest receivables	12	205,866	182,833
Prepayments, deposits and other receivables		35,372	13,613
Trust bank balances held on behalf of clients		9,334	8,197
Cash and cash equivalents		19,310	41,654
		277,996	258,539
CURRENT LIABILITIES			
Trade payables	14	10,930	8,200
Accruals and other payables		13,713	13,509
Lease liabilities		753	233
Other borrowing		2,009	–
Tax payables		11,819	12,521
		39,224	34,463
NET CURRENT ASSETS		238,772	224,076
Total assets less current liabilities		250,459	239,197
Non-current liabilities			
Lease liabilities		575	–
NET ASSETS		249,884	239,197
EQUITY			
Equity attributable to owners of the Company			
Share capital	15	6,221	6,221
Reserves		243,663	232,976
TOTAL EQUITY		249,884	239,197

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 September 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 (the “**Share(s)**”) has been listed on GEM (“**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 Room 2203&2204, 22/F., New World Tower 1, 16–18 Queen’s Road Central, Central, Hong Kong, respectively.

The Company is an investment holding company. 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 Reporting Period.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The Interim Financial Statements have been prepared in accordance with the Hong Kong Accounting Standards 34 “**Interim Financial Reporting**” (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of Stock Exchange (the “**GEM Listing Rules**”).

The preparation of the Interim Financial Statements in conformity with HKAS 34 requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The Interim Financial Statements include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since 31 March 2024, and therefore, do not include all of the information required for full set of financial statements prepared in accordance with the Hong Kong Financial Reporting Standards (“**HKFRSs**”) which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standard (“**HKAS**”) and Interpretations issued by the HKICPA. They shall be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 March 2024 (the “**2023/24 Consolidated Financial Statements**”).

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

The significant accounting policies that have been used in the preparation of the Interim Financial Statements are consistent with those applied in the preparation of the 2023/24 Consolidated Financial Statements.

The Interim Financial Statements have been prepared on the historical costs basis and presented in Hong Kong dollars (“HK\$”), which is the same as the functional currency of the Company and all values are rounded to the nearest thousand (HK\$’000) except otherwise indicated.

The Group has adopted and applied the new standards, amendments to standards and interpretations that have been issued and effective for the accounting period beginning on 1 April 2024. The adoption of these new standards, amendments to standards and interpretations has no material impact on the Group’s results and financial position.

At the date of authorisation of the Interim Financial Statements, the Group has not early adopted those new standards, amendments to standards and interpretations which have been issued by the HKICPA but are not yet effective.

3. SEGMENT INFORMATION

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 and results attributable to each reportable segment on the following bases:

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.

3. SEGMENT INFORMATION (Continued)

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 interest income on bank deposits, sundry income and income tax expense.

(a) Segment revenue and results

The segment revenue and results for the six months ended 30 September 2024 are as follows:

	Brokerage <i>HK\$'000</i> (unaudited)	Underwriting and placing <i>HK\$'000</i> (unaudited)	Margin financing <i>HK\$'000</i> (unaudited)	Money lending <i>HK\$'000</i> (unaudited)	Asset management <i>HK\$'000</i> (unaudited)	Total <i>HK\$'000</i> (unaudited)
Reportable segment revenue from external clients	345	62,053	347	10,299	296	73,340
Reportable segment (loss)/profit	<u>(304)</u>	<u>791</u>	<u>(242)</u>	<u>10,067</u>	<u>296</u>	<u>10,608</u>

The segment revenue and results for the six months ended 30 September 2023 are as follows:

	Brokerage <i>HK\$'000</i> (unaudited)	Underwriting and placing <i>HK\$'000</i> (unaudited)	Margin financing <i>HK\$'000</i> (unaudited)	Money lending <i>HK\$'000</i> (unaudited)	Asset management <i>HK\$'000</i> (unaudited)	Total <i>HK\$'000</i> (unaudited)
Reportable segment revenue from external clients	232	105	994	8,942	331	10,604
Reportable segment (loss)/profit	<u>(1,093)</u>	<u>(432)</u>	<u>(3,826)</u>	<u>6,626</u>	<u>331</u>	<u>1,606</u>

(b) Information about geographical areas

All of the activities of the Group are carried out in Hong Kong and all its revenue for the six months ended 30 September 2024 and 2023 are derived from Hong Kong. Accordingly, no analysis of geographical information is presented.

3. SEGMENT INFORMATION (Continued)

(c) Information on major customers

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

	For the six months ended 30 September 2024	
	Revenue HK\$'000 (unaudited)	Percentage of revenue HK\$'000 (unaudited)
Customer A (Note)	10,090	13.76%
Customer B (Note)	9,511	12.97%

Note: 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 six months ended 30 September 2024. For the six months ended 30 September 2023, no single customer contributed 10% or more to the Group's revenue.

4. REVENUE

The Group's revenue represents:

	For the six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Commission income from brokerage services	345	232
Underwriting and placing income	62,053	105
Interest income from margin financing services	347	994
Interest income from money lending services	10,299	8,942
Income from asset management services	296	331
	<u>73,340</u>	<u>10,604</u>

5. OTHER INCOME

	For the six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Government grant	546	–
Bank interest income	113	–
Interest income from a Director	22	33
Sundry income	54	39
	<u>735</u>	<u>72</u>

6. PROFIT BEFORE INCOME TAX

	For the six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Profit before income tax is arrived at after charging:		
Staff costs and Directors' emoluments including commission paid to staff and other staff costs	3,351	3,400
Depreciation on property, plant and equipment (<i>Note</i>)	118	131
Operating lease charges and depreciation of right-of-use assets in respect of office premises (<i>Note</i>)	499	360
Marketing and business development expenses (<i>Note</i>)	53,502	–
	<u>53,502</u>	<u>–</u>

Note: These expenses are included in “administrative and other operating expenses” in the unaudited condensed consolidated statement of profit or loss and other comprehensive income.

7. INCOME TAX EXPENSES

	For the six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Current tax – Hong Kong Profits Tax for the period	498	–
	<u>498</u>	<u>–</u>

Hong Kong profits tax has been provided at rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group which is qualifying entity under two-tiered profits tax rates regime effective from the year of assessment 2018/19. 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%.

12. LOAN AND INTEREST RECEIVABLES

	At 30 September 2024 <i>HK\$'000</i> (unaudited)	At 31 March 2024 <i>HK\$'000</i> (audited)
Money lending services		
Loan receivables	241,704	241,704
Interest receivables	146,443	136,144
	<hr/>	<hr/>
Total loan and interest receivables, gross	388,147	377,848
Less: Provision on loan and interest receivables	(181,116)	(181,116)
	<hr/>	<hr/>
	207,031	196,732
Less: Portion due within one year included under current assets	(205,866)	(182,833)
	<hr/>	<hr/>
Non-current portion included under non-current assets	1,165	13,899
	<hr/> <hr/>	<hr/> <hr/>

13. TRADE RECEIVABLES

	At 30 September 2024 <i>HK\$'000</i> (unaudited)	At 31 March 2024 <i>HK\$'000</i> (audited)
Trade receivables arising from the business of underwriting and placement services	6,298	12,537
Trade receivables arising from the business of margin financing and brokerage services:		
– Cash clients	4,902	4,540
– Margin finance loans	46,106	46,090
– Clearing house	1,545	108
Trade receivables arising from the business of asset management services	652	356
	<hr/>	<hr/>
Trade receivables, gross	59,503	63,631
Less: provision on trade receivables	(51,389)	(51,389)
	<hr/>	<hr/>
Trade receivables, net	8,114	12,242
	<hr/> <hr/>	<hr/> <hr/>

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).

Margin finance loans are secured by clients' pledged securities, repayable on demand and bear interest at variable commercial rates.

13. TRADE RECEIVABLES (Continued)

(a) Ageing analysis

The trade receivables arising from cash clients and clearing house, underwriting and placement services and asset management services 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 30 September 2024 HK\$'000 (unaudited)	At 31 March 2024 HK\$'000 (audited)
Current	6,542	12,069
Past due not more than 6 months	1,163	254
Past due more than 6 months but not more than a year	1,416	632
Past due more than a year	4,276	4,586
	<u>13,397</u>	<u>17,541</u>

Receivables that were neither past due nor impaired relate to a large number of diversified clients for whom there was no recent history of default.

In determining the recoverability of trade receivables, the Group considers any change in the credit quality of the trade receivables from the date credit was initially granted and subsequent settlement up to the end of the Reporting Period. In the opinion of the Directors, there is no further credit provision required in excess of the allowance for doubtful debts. The Group does not hold any collateral over these balances.

14. TRADE PAYABLES

	At 30 September 2024 HK\$'000 (unaudited)	At 31 March 2024 HK\$'000 (audited)
Trade payables arising from the business of dealing in securities:		
– Cash clients	8,604	2,317
– Margin clients	2,228	5,785
– Clients' deposits	98	98
	<u>10,930</u>	<u>8,200</u>

The settlement terms of trade payables arising from the business of dealing in securities are two days after trade date.

Trade payables to margin and cash clients bear variable interest at commercial rates, and repayable on demand subsequent to two days after trade date.

No ageing analysis is disclosed as in the opinion of Directors, the ageing analysis does not give additional value in view of the nature of business of dealing in securities.

15. SHARE CAPITAL

	Number of Shares	HK\$
Authorised:		
At 31 March 2024 and 30 September 2024 ordinary shares of HK\$0.05 each	4,000,000,000	200,000,000
Issued and fully paid:		
At 31 March 2024 and 30 September 2024	<u>124,416,000</u>	<u>6,220,800</u>

16. CREDIT FACILITIES

As at 30 September 2024 and 31 March 2024, the Group had a bank overdraft facility with a bank to the extent of HK\$20,000,000. Interest is charged at prime lending rate per annum as quoted by the bank. The bank overdraft facility is subject to a repayable on demand clause.

As at 30 September 2024 and 31 March 2024, the banking facilities were guaranteed by a corporate guarantee to the extent of HK\$20,000,000 executed by the Company.

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 Reporting Period, 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.

BUSINESS REVIEW

During the reporting period, the global economy experienced a moderate recovery, but growth momentum remained weak. Various factors, including high inflation, trade protectionism, and geopolitical conflicts, contributed to increased uncertainty, instability, and imbalance. As a result, the global economy continues to face significant downward pressure.

The management of the Group has been diligently working through various channels to develop the business. However, the Group’s performance is influenced by external factors such as the economic environment in Hong Kong and globally, interest rate movements, the turnover of the Hong Kong securities market, and the demand for market fundraising activities. These factors are beyond the Group’s control, making its financial performance susceptible to fluctuations.

The Underwriting and Placing Business

As mentioned in the 2023/24 Consolidated Financial Statements, the Group’s management and execution team have been diligently working to diversify its services and increase its income sources despite the challenging industry environment. This has been achieved by placing offshore urban investment bonds (the “**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 projects or infrastructure development. During the reporting period, the Group has been actively diversifying its equity placement services to incorporate the placement of the Urban Investment Bonds.

The Group's services for placing Urban Investment Bonds are consistent with the traditional placement services previously offered. During the Reporting Period, the Group successfully completed 24 bond issuances. The subscription amounts for these bonds ranged from HK\$20 million to HK\$400 million, with placing commission rates varying between 1.5% and 8.1%. Consequently, the Group generated approximately HK\$61.27 million in total revenue for the Reporting Period.

The Brokerage Business

During the reporting period, the Group continued to provide securities dealing and brokerage services to clients for trading securities listed on the Main Board or GEM of the Stock Exchange. Since April 2024, the Group has offered comprehensive securities dealing and brokerage services, enabling clients to trade securities listed on both the Main Board and GEM of the Stock Exchange. As of 30 September 2024, the Group maintained 595 active securities trading accounts, with the total trading volume from client orders reaching approximately HK\$163 million during the Reporting Period.

The Asset Management Business

In addition to the brokerage business and the underwriting and placing business, the Group has consistently focused on developing its asset management business. Currently, the Group has signed agreements to provide investment advisory or custodian services for two funds registered in Hong Kong and three in the Cayman Islands. The Group derives its fee income primarily from management fees and performance fees, which are linked to the assets under management (AUM) and the returns of the funds, respectively. The size of the AUM for each of the funds are as follows:

Funds	Date of investment agreement	AUM as at 30 September 2024
(i) Orient Global Master SPC (a segregated portfolio company under the Companies Act (Revised) of the Cayman Islands)	28 February 2024	Approximately HK\$22.39 million
(ii) Orient Global Master OFC (an open-ended fund company with variable share capital and segregated liabilities between sub-funds, incorporated in Hong Kong)	11 Jun 2024	Approximately HK\$112.94 million
(iii) Times Capital Global Master Fund SPC (an exempted company incorporated with limited liability and registered as a segregated portfolio company under the laws of the Cayman Islands)	14 August 2023	HK\$0

Funds	Date of investment agreement	AUM as at 30 September 2024
(iv) Flourish Growth Fund (an exempted company incorporate with limited liability under the laws of the Cayman Islands and structured as an open-ended investment fund)	21 July 2023	Approximately HK\$352.1 million
(v) Sessia International OFC (an open-ended fund company incorporated in Hong Kong)	1 August 2024	HK\$0

As of the date of this announcement, both Times Capital Global Master Fund SPC and Sessia International OFC have not yet been launched and are expected to be launched in 2025. Therefore, no management fees were charged during the Reporting Period.

The Money Lending Business

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).

The business model

Based on the existing business model of OSFL, OSFL offers loan financing to private companies and/or individuals, secured by collaterals or securities, primarily real estate assets located in Hong Kong or the People’s Republic of China (“**PRC**”). OSFL also provides unsecured personal loans that are not secured by any assets or properties. The business model of OSFL, as detailed in the 2023/24 Consolidated Financial Statements, remained largely identical during the Reporting Period.

As at 30 September 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 and personal networks or are referred to by existing or former customers. There is no specific target loan size, each application is evaluated on its own merit. The Group finances this money lending business mainly by internal resources.

To mitigate business risk exposure, the Directors decided to downsize the money lending business. Moving forward, the focus on money lending activities will be limited to loans secured by Hong Kong real estate. However, due to the current interest rates and high borrowing costs during the Interim Period, the Group has not approved any new loan applications since 2023.

The internal control procedures in place

There have been no changes in the internal control procedures, including (i) assessment and approval; and (ii) monitoring and recovery, for the six months ended 30 September 2024. Details of these procedures are stated in the 2023/24 Consolidated Financial Statements.

Major terms of the loans granted

As at 30 September 2024, there are 42 outstanding loan accounts in the Group's loan portfolio, with principal amounts ranging from approximately HK\$38,000 to HK\$14,000,000. The loan terms range from 12 months to 60 months.

Approximately 89.6% of the total outstanding loans are secured by collaterals, with annual interest rates ranging from 8% to 14.5%. The remaining approximately 10.4% of the loans are unsecured, with annual interest rates ranging from 10% to 24%.

During the Reporting Period, overall management oversight was provided by Ms. Lee Nga Ching, who is the execute Director. With over ten years of industry experience, she is primarily responsible for, among others, supervising and monitoring daily money lending activities, reviewing and implementing the company's internal procedures, and handling recoverability of all outstanding debts.

OUTLOOK

The Group has endeavoured to establish an integrated platform that offers a wide range of financial services to its clients. These services include brokerage, underwriting and placing, securities and initial public offering financing, money lending and asset management services.

In addition to developing the License Business, the Group has explored other opportunities to expand and diversify its existing business. The Group is considering expanding the corporate finance advisory business through acquisitions, particularly focusing on Type 6 (advising on corporate finance) licensed corporations under the SFO that have an established client network and active deals in the pipeline. This horizontal expansion into corporate finance advisory aspect not only enhances the Group's service scope but also enables the Company to provide a one-stop service for the clients, fostering long-term client relationships. The Board is confident that expanding the scope of professional services will increase market share by meeting 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 Group will continue to focus on the existing business while seizing new market opportunities to create the greatest possible value for all the shareholders of the Company.

FINANCIAL REVIEW

Revenue

During the Reporting Period, the Group operates its business through its subsidiaries and mainly generate income from (i) brokerage services and relevant service income; (ii) underwriting and placing services; (iii) asset management services; and (iv) money lending services.

Set out below is the breakdown of the Group's revenue for the six months period ended 30 September 2024:

	For the six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Commission income from brokerage services	345	232
Underwriting and placement income	62,053	105
Interest income from margin financing services	347	994
Interest income from money ending services	10,299	8,942
Income from asset management services	296	331
	<u>73,340</u>	<u>10,604</u>

The revenue of the Group increased from approximately HK\$10,604,000 for the six months ended 30 September 2023 to approximately HK\$73,340,000 for the six months ended 30 September 2024, representing an increase of approximately 591.63%. This increase was mainly attributable to the new business stream providing placement services for Urban Investment Bonds. These projects contributed approximately HK\$61.27 million to the Group's revenue for the Reporting Period.

(i) *Brokerage and related financial services*

During the Reporting Period, there was no significant improvement in the domestic economy, and investment sentiment remained bleak. Both stock market performance and trading incentives showed no significant improvement. As a result of these factors, the Group's securities brokerage income, which represented approximately 0.47% of the Group's revenue, has only slightly increased to approximately HK\$345,000 (2023: approximately HK\$232,000).

As at 30 September 2024, the Group had 595 active securities accounts as reported pursuant to SFO (2023: 619 active securities accounts).

(ii) *Underwriting and placing services*

For the six months ended 30 September 2024, the Group recorded approximately HK\$62,053,000 (2023: approximately HK\$105,000) in placing commission income, which represented an increase of approximately 590 times. This increase was mainly attributable to the new business stream providing placement services for Urban Investment Bonds.

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 Reporting Period.

(iii) *Asset management services*

During the Reporting Period, the Group recognised an asset management fee of approximately HK\$296,000 (2023: HK\$331,000).

(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 2023/24 Consolidated Financial Statements, to mitigate business risk exposure, the Directors decided to downsize the money lending business. Moving forward, the focus of money lending activities will be limited to loans secured by Hong Kong real estate. However, due to the current interest rates and high borrowing costs during the Reporting Period, the Group has not approved any new loan applications since 2023.

For the six months ended 30 September 2024, the interest income from money lending services amounted to approximately HK\$10,299,000 (2023: approximately HK\$8,942,000), representing an increase of approximately 15.18%.

Employee costs

The total employee costs for the Reporting Period was approximately HK\$3,351,000 (2023: approximately HK\$3,400,000) which represented a decrease of approximately 1.4% compared with the six months ended 30 September 2023.

Administrative and other operating expenses

The total administrative and other operating expenses for the six months ended 30 September 2024 was approximately HK\$59,652,000 (2023: approximately HK\$5,582,000) which represented an increase of approximately 968.6% compared with the six months ended 30 September 2023. Such increase was mainly due to the marketing and business development expenses rendering to the new business stream, provide placement service for Urban Investment Bonds for the Reporting Period approximately HK\$53,502,000.

Income tax expenses

The income tax expenses for the Reporting Period was approximately HK\$498,000. This amount was derived from the assessable profit of a subsidiary under Hong Kong profits tax for the Reporting Period (2023: Nil).

Profit for the period

The Group recorded a net profit attributable to owners of the Company of approximately HK\$10,485,000 for the six months ended 30 September 2024 (2023: approximately HK\$1,777,000). Such increase was primarily attributable to an increase in revenue from the placement services generated through the placement of Urban Investment Bonds, generating approximately HK\$61.27 million during the Reporting Period.

FINANCIAL RESOURCES REVIEW

Liquidity and financial resources

As at 30 September 2024, the Group had current assets of approximately HK\$277,996,000 (31 March 2024: approximately HK\$258,539,000) including bank balances and cash of approximately HK\$19,310,000 (31 March 2024: approximately HK\$41,654,000). Total assets and total liabilities were approximately HK\$289,683,000 (31 March 2024: approximately HK\$273,660,000) and HK\$39,799,000 (31 March 2024: approximately HK\$34,463,000) respectively as at 30 September 2024.

The current ratio, being ratio of current assets to current liabilities, was approximately 7.1 times as at 30 September 2024 (31 March 2024: 7.5 times).

The gearing ratio, which is calculated by dividing total interest bearing debt (i.e. other borrowing) by total equity, was 0.8% as at 30 September 2024 (31 March 2024: Nil).

The Directors are of the view that the Group's financial resources are sufficient to support its business and operations.

Capital structure

The capital of the Company comprises only ordinary shares. As at 30 September 2024, total equity attributable to owners of the Company amounted to approximately HK\$249,884,000 (31 March 2024: approximately HK\$239,197,000).

Dividend policy

The Group currently does not have a pre-determined dividend payout ratio. Dividends may be paid out in cash or other means deemed appropriate by the Group. The declaration and payment of any interim dividends require the recommendation of the Board and are at their discretion. Additionally, any final dividend for a financial year is subject to the approval of the Company's shareholders (the "**Shareholders**").

A decision to declare or pay any future dividends, and the amount thereof, depends on several factors, including operational performance, financial condition, cash dividends paid by subsidiaries to the Group, and other factors the Board may consider relevant. There is no assurance that the Group will declare or distribute any dividend in the amount set out in any plan of the Board or at all.

The dividend distribution record in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by the Board in the future.

Details of the dividend are set out in Note 8 to the Interim Financial Statements.

Treasury policy

The Group has adopted a prudent financial management approach towards its treasury policies and has maintained a healthy liquidity position throughout the Reporting Period. To manage liquidity risks, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements as needed.

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 impact the Group's results. Although foreign currency exposure does not pose a significant risk on the Group and there are currently no hedging measures against such exchange risks, the Group will continue to take proactive measures and closely monitor the risks arising from currency movement.

Significant investment, material acquisitions and disposals

During the Reporting Period, the Group did not have any significant investment, material acquisition nor disposal of subsidiaries and affiliated companies (2023: Nil).

Future plans for material investments and capital assets

Save as disclosed in this announcement, the Group did not have any plans for material investment or acquisition of capital assets as at the date of this announcement. The Company will make further announcement in accordance with the GEM Listing Rules, where applicable, if any investments and acquisition opportunities materialise.

Capital Commitment

Save as disclosed in this announcement, as at 30 September 2024, the Group did not have any significant capital commitments (2023: nil).

Charges on the Group's assets

There was no charge on the Group's assets as at 30 September 2024 (2023: Nil).

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/or 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. Claim A is under the Court's direction for trial since then. However, we were informed by the representing solicitors that the Plaintiff A has recently proposed to drop the case and each party bear their own legal fees. The Company is pending for further negotiation with the Plaintiff A on the settlement. 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, the Plaintiff B, who was a client of the OSL, claim (the “**Claim B**”) against, the 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 the 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 the Claim B will not have any material impact on the Group’s financial position. According to a Court’s order dated 7 November 2024 received by the Company regarding Claim B, Plaintiff B, the Company and the other defendants are to attempt to make arrangement to resolve the dispute by mean of mediation. 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.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group believes that there are certain risks involved in its operations, many of which are beyond its control.

EMPLOYEE INFORMATION

As at 30 September 2024, the Group had a total of 18 employees (excluding independent non-executive Directors) (2023: 18 employees). For the Reporting Period, the total staff costs, including key management’s remuneration, amounted to approximately HK\$3,351,000 (2023: approximately HK\$3,400,000). The salaries and benefits of the Group’s employees were kept at a market level and employees were rewarded based on performance, merit and market conditions in accordance with the Group’s remuneration policy.

EVENT AFTER THE REPORTING PERIOD

Save as otherwise disclosed in this announcement, up to the date of results announcement and interim report issuance of the Company, there was no significant event relevant to the business or financial performance of the Group that come to the attention of the Directors after the six months ended 30 September 2024.

CHANGE OF DIRECTOR'S INFORMATION SINCE THE DATE OF LAST ANNUAL REPORT

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, the changes in the Directors' information since the date of the last annual report of the Company are set out as follows:

Mr. Shiu Shu Ming, the executive Director, was appointed as an independent non-executive director and the chairman of audit committee of Tianjin Construction Development Group Co., Ltd. on 16 August 2023, whose shares are listed on main board of the Stock Exchange (stock code: 2515) on 23 April 2024.

Ms. Lee Nga Ching ("**Ms. Lee**"), the executive Director, has resigned as an executive director of Golden Century International Holdings Group Limited on 31 July 2024, whose shares are listed on the main board of the Stock Exchange (stock code: 91). Ms. Lee has resigned as executive Director, with effect from 1 November 2024.

Mr. Siu Kin Wai, the executive Director, was appointed as the vice chairman of Beijing Properties (Holdings) Limited ("**Beijing Properties**"), whose shares are listed on the main board of the Stock Exchange (stock code: 925) and no longer holds the position of general manager of Beijing Properties since July 2024.

Save as disclosed above, there has been no change in the Directors' biographical details which are required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 September 2024, the interests and short positions of the Directors and the chief executives of the Company in the ordinary shares of the Company (the “Shares”), underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had been 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 they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Long position:

Name of Directors	Capacity/Nature of Interest	Number of Shares held/ Interested	Approximate percentage of shareholding ⁽¹⁾
Mr. Shiu Shu Ming	Interest of a controlled corporation ⁽²⁾	10,280,000	8.26%
	Beneficial owner ⁽³⁾	1,036,800	0.84%
Ms. Lee Nga Ching	Beneficial owner ⁽⁴⁾	11,316,800	9.10%
		518,400	0.42%

Notes:

- There were 124,416,000 Shares in issue as at 30 September 2024.
- Mr. Shiu Shu Ming (“**Mr. Shiu**”) legally and beneficially owns the entire issued shares of Wealthbase Global Limited and is its sole director. Accordingly, Mr. Shiu is deemed to be interested in the 10,280,000 Shares held by Wealthbase Global Limited by virtue of the SFO.
- Mr. Shiu is interested in the 1,036,800 underlying Shares which may be allotted and issued to him upon full exercise of all the options granted to him under the share option scheme of the Company (as defined below).
- Ms. Lee Nga Ching is interested in the 518,400 underlying Shares which may be allotted and issued to her upon full exercise of all the options granted to her under the share option scheme of the Company (as defined below).

Save as disclosed above, as at 30 September 2024, none of the Directors or the chief executives of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that 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 they were taken or deemed to have under such provisions of the SFO), or required to be recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS OR SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2024, to the best knowledge of the Directors, the following persons/entities (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Long position:

Name	Capacity/Nature of Interest	Number of Shares held/ Interested	Approximate percentage of shareholding⁽¹⁾
Wealthbase Global Limited	Beneficial owner ⁽²⁾	10,280,000	8.26%

Notes:

1. There were 124,416,000 Shares in issue as at 30 September 2024.
2. Mr. Shiu legally and beneficially owns the entire issued shares of Wealthbase Global Limited and is its sole director. Accordingly, Mr. Shiu is deemed to be interested in the 10,280,000 Shares held by Wealthbase Global Limited by virtue of the SFO.

Save as disclosed above, as at 30 September 2024, the Directors were not aware of any persons/entities (other than a Director or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 September 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE PRACTICE

The Company is committed to achieving high standards of corporate governance. The Directors believe that sound and reasonable corporate governance practices are essential for providing a framework to safeguard the interests of the Shareholders, enhance corporate value, formulate business strategies and policies, and enhance transparency and accountability.

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 six months ended 30 September 2024 and up to the date of this announcement, to the best knowledge of the Board, the Company has complied with all the code provisions set out in the CG Code, save for the deviation from code provision C.1.6 and C.2.1.

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, one independent non-executive Directors was unable to attend extraordinary general meeting of the Company held on 20 September 2024.

Pursuant to C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

The Company currently has no chairman or chief executive officer. 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 chief executive officer, 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 arrange for the election of a new chairman of the Board at the appropriate time.

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 thereby:

- (i) the number of independent non-executive Directors fell below the minimum number as required under Rule 5.05(1) of 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;
- (iii) the number of members of each of the Audit Committee, 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.

On 28 August 2024, Ms. Wang Xiaoyue (“**Ms. Wang**”) has been appointed as an independent non-executive Director, a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee (the “**Appointment of Ms. Wang**”). Following the Appointment of Ms. Wang, there were three independent non-executive Directors on the Board, and the number of independent non-executive Directors has met the minimum number as required under Rule 5.05(1) and 5.28 of the GEM Listing Rules and respective terms of reference of the Nomination Committee, the Remuneration Committee and the Audit Committee.

DIRECTORS’ INTEREST IN COMPETING BUSINESS

None of the Directors and controlling shareholders of the Company nor their respective close associates (as defined under the GEM Listing Rules) had any interest in any other companies as at 30 September 2024 which competed or may compete, directly or indirectly, with the Group’s business.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the “**Required Standard of Dealings**”), as the code of conduct regarding Directors’ securities transactions in the securities of the Company. Having made specific enquiries with all Directors, each of the Directors has confirmed that he/she has complied with the Required Standard of Dealings during the Reporting Period.

AUDIT COMMITTEE

The Company has established an Audit Committee with specific terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and the CG Code for the purpose of reviewing and supervising the Company's financial reporting and internal control procedures. As at 30 September 2024, the Audit Committee comprised three independent non-executive Directors, namely, Mr. Siu Kin Wai, Mr. Cheng Ching Fu and Ms. Wang Xiaoyue, Mr. Siu Kin Wai is the chairman of the Audit Committee.

The Group's Interim Financial Statements have been reviewed by the Audit Committee, which were of the opinion that such statements have complied with the applicable accounting standards and that adequate disclosures have been made.

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

Hong Kong, 29 November 2024

As at the date of this announcement, the Board comprises (i) Mr. Shiu Shu Ming, Mr. Cao Weimin and Mr. Zhang Ke as the executive Directors; and (ii) Mr. Siu Kin Wai, Mr. Cheng Ching Fu and Ms. Wang Xiaoyue 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 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.

This announcement will remain on the "Latest Listed Company Information" page of the Stock Exchange's 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.