

The logo consists of the word "ORIENT" in a white, sans-serif font, centered within a dark brown square. The background of the entire page is a gradient of light to dark gold, with a series of thin, parallel lines radiating from the bottom left towards the top right, creating a sense of motion and depth.

ORIENT

東方滙財證券國際控股有限公司

ORIENT SECURITIES INTERNATIONAL HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

Stock Code : 8001

2023

Second Interim Report

CHARACTERISTICS OF 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-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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*This report, for which the directors (the “**Directors**”) of Orient Securities International Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (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 report 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 report misleading.*

The board (the “**Board**”) of Directors hereby announces the unaudited condensed consolidated financial statements (the “**Second Interim Financial Statements**”) of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the twelve months ended 31 December 2022 (the “**Reporting Period**”) together with the comparative figures for the corresponding period in 2021 (the “**Corresponding Period**” or “**2021**”), as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the twelve months ended 31 December 2022

	Notes	For the three months ended 31 December		For the Twelve months ended 31 December	
		2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (audited)
Revenue	4	11,701	10,712	41,504	46,704
Other income	5	29	–	35	4
		11,730	10,712	41,539	46,708
Employee costs		(1,301)	(1,979)	(7,943)	(9,340)
Administrative expenses		(1,806)	(2,445)	(8,914)	(10,444)
Other operating expenses		–	–	–	(3,524)
Finance costs		(26)	(26)	(127)	(155)
Profit before tax	6	8,597	6,262	24,555	23,245
Income tax expenses	7	(1,629)	(1,215)	(5,291)	(5,270)
Profit for the period attributable to owners of the Company		6,968	5,047	19,264	17,975
Total comprehensive income for the period attributable to owners of the Company		6,968	5,047	19,264	17,975
Earnings per share					
Basic and diluted	9	6.11 cents	1.17 cents	19.38 cents	4.16 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Notes	31 December 2022 HK\$'000 (unaudited)	31 December 2021 HK\$'000 (audited)
NON-CURRENT ASSETS			
Property, plant and equipment	10	1,711	4,721
Other assets	11	430	430
Loan and interest receivables	12	17,688	18,637
Deposits		1,100	2,043
Deferred tax assets		334	334
		21,263	26,165
CURRENT ASSETS			
Trade receivables	13	28,296	28,110
Loan and interest receivables	12	339,608	307,466
Prepayments, deposits and other receivables		3,453	2,827
Trust bank balances held on behalf of clients		9,537	15,535
Cash and cash equivalents		6,124	1,803
		387,018	355,741
CURRENT LIABILITIES			
Trade payables	14	9,285	15,598
Accruals and other payables		2,343	1,223
Lease liabilities		725	3,147
Amount due to director		200	–
Debentures		–	1,000
Tax payables		15,027	10,685
		27,580	31,653
NET CURRENT ASSETS		359,438	324,088
Total assets less current liabilities		380,701	350,253
Non-current liabilities			
Lease liabilities		418	1,597
NET ASSETS		380,283	348,656
EQUITY			
Equity attributable to owners of the Company			
Share capital	15	6,221	4,320
Reserves		374,062	344,336
TOTAL EQUITY		380,283	348,656

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the twelve months ended 31 December 2022

	Attributable to owners of the Company					Total HK\$'000
	Share capital HK\$'000	Share Premium HK\$'000	Merger reserve HK\$'000	Share option reserve HK\$'000	Retained profits HK\$'000	
At 1 January 2021 (audited)	4,320	138,016	8	–	188,337	330,681
Profit and total comprehensive income for the period	–	–	–	–	17,975	17,975
At 31 December 2021 (audited)	4,320	138,016	8	–	206,312	348,656
Issue of shares upon placement	1,901	8,961	–	–	–	10,862
Grant of share options	–	–	–	1,988	–	1,988
Share options lapsed	–	–	–	(487)	–	(487)
Profit and total comprehensive income for the period	–	–	–	–	19,264	19,264
At 31 December 2022 (unaudited)	6,221	146,977	8	1,501	225,576	380,283

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the twelve months ended 31 December 2022

	Twelve months ended 31 December	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (audited)
Net cash (used in)/generated from operating activities	(1,292)	3,749
Net cash used in investing activities	(371)	–
Net cash generated from/(used in) financing activities	5,984	(4,164)
Net increase/(decrease) in cash and cash equivalents	4,321	(415)
Cash and cash equivalents as at the beginning of the period	1,803	2,218
Cash and cash equivalents as at the end of the period	6,124	1,803

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the twelve months ended 31 December 2022

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 Company’s shares have been listed on the GEM (“**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 15 January 2014. The address of the Company’s registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the Company’s principal place of business has changed from Rooms 3101 & 3117–3118, 31st Floor, China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong to 8th Floor, Hip Shing Hong Centre, 55 Des Voeux Road Central, Hong Kong with effect from 1 October 2022.

The principal activity of the Company is investment holding. The Group is principally engaged in:

- (i) brokerage services;
- (ii) underwriting and placing services;
- (iii) securities, initial public offering financing services; and
- (iv) money lending services.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The Second 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 GEM Listing Rules.

The preparation of the Second 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 Second 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 December 2021, 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 December 2021 (the “**2021 Audited Consolidated Financial Statements**”).

The accounting policies and methods of computation applied in the preparation of the Second Interim Financial Statements are consistent with those applied in the preparation of the 2021 Audited Consolidated Financial Statements.

The Second 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the twelve months ended 31 December 2022

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

The adoption of the new/revised HKFRSs that are relevant to the Group and effective from the current period had no significant effects on the results and financial position of the Group for both periods.

At the date of authorisation of the Second Interim Financial Statements, the Group has not early adopted the new/revised HKFRSs that have been issued but are not yet effective.

3. SEGMENT REPORTING

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 four 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

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.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of interest income on bank deposits, sundry income and income tax expense.

(a) Segment revenue and results

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.

Segment profit represents the profit earned by each segment without allocation of interest income on bank deposits, sundry income, and income tax expenses.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the twelve months ended 31 December 2022

3. SEGMENT REPORTING (Continued)

(a) Segment revenue and results (Continued)

The segment revenue and results for the twelve months ended 31 December 2022 are as follows:

	Brokerage HK\$'000 (unaudited)	Underwriting and placing HK\$'000 (unaudited)	Margin financing HK\$'000 (unaudited)	Money lending HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
Reportable segment revenue from external clients	979	599	5,158	34,768	41,504
Reportable segment (loss)/profit	(67)	(41)	(355)	27,775	27,312

The segment revenue and results for the three months ended 31 December 2022 are as follows:

	Brokerage HK\$'000 (unaudited)	Underwriting and placing HK\$'000 (unaudited)	Margin financing HK\$'000 (unaudited)	Money lending HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
Reportable segment revenue from external clients	263	35	1,321	10,082	11,701
Reportable segment profit	16	2	80	8,242	8,340

The segment revenue and results for the twelve months ended 31 December 2021 are as follows:

	Brokerage HK\$'000 (audited)	Underwriting and placing HK\$'000 (audited)	Margin financing HK\$'000 (audited)	Money lending HK\$'000 (audited)	Total HK\$'000 (audited)
Reportable segment revenue from external clients	1,672	3,130	7,786	34,116	46,704
Reportable segment (loss)/profit	(2,781)	93	(7,032)	32,961	23,241

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the twelve months ended 31 December 2022

3. SEGMENT REPORTING *(Continued)*

(a) *Segment revenue and results (Continued)*

The segment revenue and results for the three months ended 31 December 2021 are as follows:

	Brokerage HK\$'000 (unaudited)	Underwriting and placing HK\$'000 (unaudited)	Margin financing HK\$'000 (unaudited)	Money lending HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
Reportable segment revenue from external clients	303	–	1,795	8,614	10,712
Reportable segment (loss)/profit	(96)	–	(571)	7,150	6,483

(b) *Information about geographical areas*

All of the activities of the Group are carried out in Hong Kong and all of the Group's revenue for the three months and twelve months ended 31 December 2022 and 2021 are derived from Hong Kong. Accordingly, no analysis of geographical information is presented.

(c) *Information on major customers*

The Group has a wide customer base and no single customer contributed more than 10% of the Group's revenue for the twelve months ended 31 December 2022 and 31 December 2021.

4. REVENUE

The Group's revenue represents:

	For the three months ended 31 December		For the twelve months ended 31 December	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (audited)
Commission from brokerage services and related service income	263	303	979	1,672
Commission from underwriting and placing services	35	–	599	3,130
Interest income from margin financing services	1,321	1,795	5,158	7,786
Interest income from money lending services	10,082	8,614	34,768	34,116
	11,701	10,712	41,504	46,704

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the twelve months ended 31 December 2022

5. OTHER INCOME

	For the three months ended 31 December		For the twelve months ended 31 December	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (audited)
Interest income on – bank deposits	–	–	–	–
Sundry income	29	–	35	4
	29	–	35	4

6. PROFIT BEFORE TAX

Profit before taxation is arrived at after charging:

	For the three months ended 31 December		For the twelve months ended 31 December	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (audited)
Staff costs and Directors' emoluments including commission paid to staff and other staff costs	1,301	1,979	7,943	9,340
Depreciation on property, plant and equipment	60	–	60	–
Operating lease charges and depreciation of right-of-use assets in respect of office premises	168	787	2,601	3,886

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the twelve months ended 31 December 2022

7. INCOME TAX EXPENSES

	For the three months ended 31 December		For the twelve months ended 31 December	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (audited)
Current tax – Hong Kong Profits Tax				
Provision for the period	1,629	1,215	5,291	5,175
Deferred tax charge	–	–	–	95
	1,629	1,215	5,291	5,270

The provision for Hong Kong Profits tax for 2022 is calculated at 8.25% of the first HK\$2,000,000 and 16.5% of the remaining balance (2021: 8.25% of the first HK\$2,000,000 and 16.5% of the remaining balance) of estimated assessable profits for the period.

8. DIVIDENDS

The Directors did not recommend a payment of dividend for the twelve months ended 31 December 2022 (2021: Nil).

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to equity shareholders of the Company by the weighted average numbers of ordinary shares in issue during the period:

	For the three months ended 31 December		For the twelve months ended 31 December	
	2022 (unaudited)	2021 (unaudited)	2022 (unaudited)	2021 (audited)
Profit for the period attributable to owners of the Company (HK\$'000)	6,968	5,047	19,264	17,975
Weighted average number of ordinary shares in issue (Note)	114,048,000	432,000,000	99,381,304	432,000,000

Note: The weighted average number of shares for the purpose of basic and diluted earnings per share has been adjusted for the subscription of new shares under general mandate completed on 27 May 2022 and 16 November 2022. The calculation of the diluted earnings per share for both period did not assume the exercise of the Company's outstanding share options as the effect is anti-dilutive.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the twelve months ended 31 December 2022

10. PROPERTY, PLANT AND EQUIPMENT

During twelve months ended 31 December 2022, the Group incurred approximately HK\$631,000 on property, plant and equipment and approximately HK\$1,321,000 to the right of use assets (2021: approximately HK\$6,295,000 which solely referred to the right of use assets) and written off the right of use assets approximately HK\$2,361,000 because of early termination of a tenancy agreement by the Group (2021: Nil).

11. OTHER ASSETS

	31 December 2022 HK\$'000 (unaudited)	31 December 2021 HK\$'000 (audited)
Statutory and other deposits	430	430

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

12. LOAN AND INTEREST RECEIVABLES

	31 December 2022 HK\$'000 (unaudited)	31 December 2021 HK\$'000 (audited)
<i>Money lending services</i>		
Total loan and interest receivables, gross	359,596	328,403
Less: provision on loan and interest receivables	(2,300)	(2,300)
	357,296	326,103
Less: Portion due within one year included under current assets	(339,608)	(307,466)
Non-current portion included under non-current assets	17,688	18,637

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the twelve months ended 31 December 2022

13. TRADE RECEIVABLES

	31 December 2022 HK\$'000 (unaudited)	31 December 2021 HK\$'000 (audited)
Trade receivables arising from the business of placing services	1,001	1,001
Trade receivables arising from the business of dealing in securities and equity option:		
– Cash clients	3,967	4,040
– Margin finance loans	58,735	48,186
– Clearing house	–	124
Trade receivables, gross	63,703	53,351
Less: provision on trade receivables	(35,407)	(25,241)
Trade receivables, net	28,296	28,110

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.

Ageing analysis

The trade receivables arising from cash clients and clearing house (net of allowance for doubtful debts) 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:

	31 December 2022 HK\$'000 (unaudited)	31 December 2021 HK\$'000 (audited)
Current	163	428
Past due not more than 6 months	460	361
Past due more than 6 months but not more than a year	972	753
Past due more than a year	2,372	2,499
	3,967	4,041

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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the twelve months ended 31 December 2022

13. TRADE RECEIVABLES *(Continued)*

Ageing analysis (Continued)

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 of the Company, 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

	31 December 2022 HK\$'000 (unaudited)	31 December 2021 HK\$'000 (audited)
Trade payables arising from the business of dealing in securities:		
– Cash clients	2,888	9,382
– Margin clients	6,397	6,118
– Clients' deposits	–	98
	9,285	15,598

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 of the Company, the ageing analysis does not give additional value in view of the nature of business of dealing in securities.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the twelve months ended 31 December 2022

15. SHARE CAPITAL

	Number of Shares	HK\$
Authorised:		
At 31 December 2021 and 1 January 2022 ordinary shares of HK\$0.01 each	20,000,000,000	200,000,000
Share consolidation (Note a)	(16,000,000,000)	–
At 31 December 2022 ordinary shares of HK\$0.05 each	4,000,000,000	200,000,000
Issued and fully paid:		
At 31 December 2021 and 1 January 2022 ordinary shares of HK\$0.01 each	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
Shares Consolidation (Note a)	(414,720,000)	–
At 31 December 2022	124,416,000	6,220,800

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.

16. CREDIT FACILITIES

As at 31 December 2022 and 31 December 2021, the Group had a bank overdraft facility with a bank to the extent of HK\$20,000,000 (2020: 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 31 December 2022 and 31 December 2021, the banking facilities were guaranteed by a corporate guarantee to the extent of HK\$20,000,000 (2020: HK\$20,000,000) executed by the Company.

As at 31 December 2022 and 31 December 2021, the Group had a loan facility of HK\$35,000,000 of which interest is charged at 12% per annum and maturity date is 24 March 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Group is an integrated financial service provider licensed to (i) conduct Type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (“SFO”) (Chapter 571 of the laws of Hong Kong) 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; and (d) money lending services.

During the Reporting Period, the Group continued to derive a majority of its revenue from its money lending business, which accounts for approximately 83.77% of the Group’s total revenue.

The total revenue of the Group decreased from approximately HK\$46.7 million for the twelve months ended 31 December 2021 to approximately HK\$41.5 million for the twelve months ended 31 December 2022, representing a decrease of approximately 11.13%. The decrease in revenue was mainly attributable to the decrease in revenue from the Type 1 licensed regulated services as a result of the COVID-19 pandemic (“COVID-19”) delayed the progress of most originally planned initial public offerings (“IPOs”) projects and fund-raising exercise. Despite the difficult business environment, through the implementation of cost control by the management of the Group and without trade receivables provision for the Reporting Period, the profit for the period attributable to owners of the Company of approximately HK\$19.3 million for the twelve months ended 31 December 2022, representing a slight increase of approximately 7.17% as compared to the Corresponding Period.

The management of the Group have been working hard and through various channels to develop the business. Nevertheless, the Group’s performance relied on external factors, including Hong Kong and global economic environment, interest rate movement and the turnover of the Hong Kong securities market and demand of market fund raising activities, as well as the development and impact of COVID-19 and its effect over customers’ investment and financing needs. They are beyond the Group’s control and the Group’s financial performance is susceptible to fluctuation as a result.

Given the challenges in the economic outlook and the capital-intensive nature of the Group’s existing principal business, the Group’s management believes that the key to future growth of the Group hinges on the expansion of the range of services provided by the Group, where each additional business segment adds to the synergistic effect of the Group’s current service offerings. The Group plans to expand into financial services regulated under Type 6 (advising on corporate finance) which will allow the Group to broaden its source of income, explore new markets with growth potential and capture new business opportunities which may create substantial value to the shareholders of the Company (the “Shareholders”). With an aim of reaching out for collaboration with other market players, the Group is considering acquiring a company licensed under the SFO to conduct Type 6 (advising on corporate finance) regulated activity. Specifically, it is the intention of the Directors to identify potential targets with particular priority given to those that has an established network of clients and has a number of deals in the pipeline, which the Group would be able to immediately capitalise on. The Group expects that through the potential acquisition, it could leverage on the existing client base of the target company to further expand the underwriting and placing business cared by the Group through potential placing and underwriting opportunities currently being explored by the target company.

During the year 2022, the Securities and Futures Commission approved Orient Securities Limited, being the wholly owned subsidiary of the Company, to continue to conduct Type 9 regulated activities (asset management) under the SFO. It is the plan of the Group to push forward the asset management business by enhancing the capabilities of the Group’s management and building comprehensive professional team. The Group shall make full use of its resources, fully promoting its newly setup asset management business and the comprehensive improvement of professional financial services capabilities. The Group will continue to focus on building its core capacity in asset management, expand the scale of asset management, enhance the contribution of management fee income, and effectively improve its ability to generate stable profits.

MANAGEMENT DISCUSSION AND ANALYSIS

Further, in February 2023, the Company entered into a memorandum of understanding with a well-established financial printing service provider for the purpose of commencing its financial printing related value-added services. The Directors are optimistic about the prospects of the fund-raising activities through initial public offerings in Hong Kong after considering the growing signs of a post-COVID-19 economic recovery. Given the financial printing services industry is associated with the number of listed companies as well as equity fund raising activities on the Stock Exchange, the development of such new business thereby broaden and diversify its business, which is also expected to increase the Group's profitability.

It is believed that through diversification of the Group's business by way of organic growth and/or external acquisition, together with a long-term perspective, the Group will adhere to its business model of being an integrated financial service provider and promote high-quality development to bring long-term growth returns to its shareholders and investors.

Currently, Hong Kong has witnessed a better recovery trend after the COVID-19 but the balance in the relationship between steady growth and prevention of financial risks is still facing challenges. It is the direction of the Group to maintain its steady operation and ensure risks are detectable and controllable amid business expansion. The Company will continue to address its shortcomings with an aim to outperform them, and pursue business diversification, broader customer base and higher competitiveness in the competitive capital market.

Last but not least, the Board has resolved to establish a loan receivables recovery committee (the "**Committee**") in November 2022 to enhance the efficiency in decision-making on, and implementation of, matters in relation to the recovery of the Group's outstanding loan receivables and constantly keeps the Board update on the recovery process. Members of the Committee, upon their appointment, has reviewed the operation of the money lending business and obtained relevant documents to assess its performance. The Directors had performed all necessary measures to recover the outstanding loans including but not limited to (i) concluding settlement plans with debtors; (ii) issuing demand letters; (iii) engaging external debt collector; and (iv) taking legal proceedings. The Board shall take all necessary measures to protect the interest of the Company and the Shareholders as a whole.

FINANCIAL REVIEW

Revenue

For the Reporting Period, the Group recorded a revenue of approximately HK\$41,504,000, representing a decrease of approximately 11.13% as compared to the Corresponding Period of approximately HK\$46,704,000, mainly as a result of the decrease in revenue of the Type 1 licensed regulated services.

The Type 1 licensed regulated services business

The Type 1 licensed regulated services business is conducted by the Group's wholly-owned subsidiary, Orient Securities Limited, which is a corporation licensed to carry on business in Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO. As at 31 December 2022, the Group had 128 active securities accounts as reported pursuant to Securities and Futures (Financial Resources) Rules (Cap 571N) (2021: 75 active securities accounts).

MANAGEMENT DISCUSSION AND ANALYSIS

The money lending business

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

Based on the existing business model, clients apply the loans obtained from Orient Securities Finance Limited either for personal or corporate purposes. The Group offers fixed-term loans to clients with maturity periods up to 60 months. To manage the associated credit exposure from the Group's money lending business, the Group has credit assessment and internal control procedures.

The Group shall complete credit assessment for applicants for its money lending services. In assessing their creditworthiness, the Group primary focus is on the collateral and security (if any) offered as well as the applicant's background. 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 necessary, the Group may conduct credit search with external agencies to obtain background information and credit history of its client.

It is the policy of the Group to review the outstanding amount of each loan at least yearly or in a more frequent manner depending on individual circumstances or market condition. Impairment allowances on individual assessed accounts are determined by an evaluation of the incurred loss at balance sheet date on a case-by-case basis, and are applied to all individually significant accounts. Generally, impairment allowances will be provided when clients' collaterals are insufficient to cover their outstanding loan balances.

As per the announcements published by the Company on 18 November 2022 and 13 January 2023, the Company has established a loan receivables recovery committee to enhance the efficiency in decision-making on, and implementation of, matters in relation to the recovery of the Group's outstanding loan receivables and constantly keeps the Board update on the recovery process. As advised by the new auditor of the Company, the Company has engaged independent legal adviser on early January 2023 to have (i) a legal review of the existing loan arrangements, which involves certain cross-border guarantee or security provided by borrowers to guarantee or secure his/her/its debts owed to the Group; and (ii) an assessment on the practicability of the enforcement procedures to take and cost in case of a debt recovery.

As at the date of this report, the overall management oversight is provided by Ms. Lee Nga Ching, who is the executive Director. She has over ten years of experience in the industry and is primarily responsible for, among others, carrying out, supervising and monitoring the daily money lending activities, reviewing and implementing the company's internal procedure and handling recoverability of all outstanding debts.

Employee costs

The total employee costs for the twelve months ended 31 December 2022 was approximately HK\$7.9 million (2021: approximately HK\$9.3 million) which represented a decrease of approximately HK\$1.4 million or 14.95% compared with 2021.

Administrative expenses

The total administrative expenses for the twelve months ended 31 December 2022 was approximately HK\$8.9 million (2021: approximately HK\$10.4 million) which represented an decrease of approximately HK\$1.5 million or 14.65% compared with 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

Finance costs

Finance costs represented interest expense recognised on lease liabilities and debentures. The Group recorded finance costs of approximately HK\$127,000 during the twelve months ended 31 December 2022 (2021: approximately HK\$155,000).

Income tax expenses

The income tax expense for the twelve months ended 31 December 2022 was approximately HK\$5.3 million (2021: approximately HK\$5.3 million).

Profit attributable to the owners of the Company

The Group recorded a net profit attributable to owners of the Company of approximately HK\$19.3 million for the twelve months ended 31 December 2022 (2021: approximately HK\$18.0 million).

FINANCIAL RESOURCES REVIEW

Liquidity and financial resources

As at 31 December 2022, the Group had current assets of approximately HK\$387.0 million (31 December 2021: approximately HK\$355.7 million) including bank balances and cash of approximately HK\$6.1 million (31 December 2021: approximately HK\$1.8 million). Total assets and total liabilities were approximately HK\$408.3 million (31 December 2021: approximately HK\$381.9 million) and HK\$28.0 million (31 December 2021: approximately HK\$33.3 million) respectively as at 31 December 2022.

The current ratio, being ratio of current assets to current liabilities, was approximately 14.0 times as at 31 December 2022 (31 December 2021: 11.2 times).

The gearing ratio, which is calculated by dividing total interest bearing debt (i.e. debentures) by total equity, was 0% as at 31 December 2022 (31 December 2021: 0.29%).

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

Capital structure

As at 31 December 2022, total equity attributable to owners of the Company amounted to approximately HK\$380.3 million (31 December 2021: approximately HK\$348.7 million).

Dividend policy

The Group currently does not have a pre-determined dividend payout ratio. Dividends may be paid out by cash or other means that the Group considers appropriate. The declaration and payment of any interim dividends would require the recommendation of the Board and will be at their discretion. In addition, any final dividend for a financial year will be subject to the Shareholders' approval. A decision to declare or to pay any dividend in the future, and the amount of any dividends, depends on a number of factors, including the operation performance, financial condition, the payment by the subsidiaries of cash dividends to the Group, and other factors the Board may deem relevant. There is no assurance that the Group will be able to declare or distribute any dividend in the amount set out in any plan of the Board or at all.

MANAGEMENT DISCUSSION AND ANALYSIS

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 Second Interim Financial Statements.

Treasury policy

The Group has adopted a prudent financial management approach towards its treasury policies and had 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 from time to time.

Foreign exchange exposure

The Group operates in Hong Kong with transactions denominated in Hong Kong dollars and the Group's financial statements are prepared in Hong Kong dollars. Consequently, the exposure to the risk of foreign exchange rate fluctuations for the Group was minimal. Hence, no financial instrument for hedging was employed.

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 (2021: Nil).

Charges on the Group's assets

There was no charge on the Group's assets as at 31 December 2022 (2021: Nil).

Contingent liabilities

On 22 September 2022, Orient Securities Limited, a wholly owned subsidiary of the Company, as a defendant (the "**Defendant**") received a writ of summons (the "**Writ**") 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**") against the Defendant. As stated in the statement of claim attached to the Writ, the Plaintiff, who was a client of the Defendant, claim (the "**Claim**") against, the Defendant, 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 the Defendant with other defendants as stated in the Writ.

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 for conspiracy and/or fraud against the Defendant 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 will not have any material impact on the Group's financial position.

Further announcement(s) will be made to update on the progress of the matter 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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

Reference is made to the announcements of the Company dated 16 May 2022, 27 May 2022 and 30 May 2022 respectively in relation to, among other things, the allotment and issuance of an aggregate of 86,400,000 new ordinary shares of the Company to Instant Idea Limited and Wealthbase Global Limited under the general mandate at a subscription price of HK\$0.08 per Subscription Share.

The net proceeds from the Shares Subscription at the time of its completion on 27 May 2022 were approximately HK\$6,612,000. As at 31 December 2022, the net proceeds from the Subscription had been applied as follows:

	Intended use of Net Proceeds HK\$'000	Amount utilised during the twelve months ended 31 December 2022 HK\$'000	Unutilised net proceeds up to 31 December 2022 HK\$'000
(i) Potential change of location of the Company's registered office	3,000	640	2,360
(ii) Recruiting new staffs, in particular additional staff required for expansion of financial sector business	1,000	1,000	–
(iii) Daily office general and administrative purposes	2,612	2,612	–
Total	6,612	4,252	2,360

For the unutilised net proceeds from the Shares Subscription up to 31 December 2022, the Company intends to use them for the same intended purposes as previously planned. The Board estimated that the time for utilising the remaining unutilised net proceeds from the Subscription will be by 30 June 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

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

Reference is 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 at the time of its completion on 16 November 2022 were approximately HK\$4,250,000. As at 31 December 2022, the net proceeds from the Placing Shares had been applied as follows:

	Intended use of Net Proceeds HK\$'000	Amount utilised during the twelve months ended 31 December 2022 HK\$'000	Unutilised net proceeds up to 31 December 2022 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	2,690	1,560

The continuous outbreak for the COVID-19 has lead the Company to stay prudent in applying the net proceeds, the Company has placed the unutilised net proceeds in interest-bearing deposits with authorised financial institutions or licensed banks. The Board estimated that the time for utilising the remaining unutilised net proceeds from the Placing will be by 30 June 2023.

EMPLOYEE INFORMATION

As at 31 December 2022, the Group had a total of 19 employees (excluding independent non-executive directors) (31 December 2021: 16 employees). For the Reporting Period, the total staff costs, including key management's remuneration, amounted to approximately HK\$7.9 million (2021: approximately HK\$9.3 million). 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.

MANAGEMENT DISCUSSION AND ANALYSIS

EVENT AFTER THE REPORTING PERIOD

Change of Financial Year End Date

Pursuant to the resolution of the Board of the Company dated 13 January 2023, the financial year end date of the Company has been changed from 31 December to 31 March. Accordingly, the next published audited financial statements of the Group will cover 15 months' period from 1 January 2022 to 31 March 2023. For more details, please refer to the announcement dated 13 January 2023 for information.

The Memorandum of Understanding

On 8 February 2023, the Company entered into a non-legally binding memorandum of understanding (the "**MOU**") with a well established financial printing service provider (the "**Strategic Partner**"), pursuant to which the parties to the MOU intend to collaborate with each other so as to bring mutual benefits to each other, and the collaboration may be in form of, including but not limited to, (a) promote business of each party; (b) refer business, which the other party is or will be engaging, to the other party, and (c) if appropriate, jointly take up and handle business.

Pursuant to the MOU, the Group will set up a special purpose vehicle in Hong Kong as a platform company (the "**Platform Company**") to focus on providing translation services, while the Strategic Partner agreed to support the said new business by its printing production factory to provide financial printing services for customers who applied for the services through the Platform Company. For more details, please refer to the announcement dated 8 February 2023 for information.

CHANGE IN DIRECTOR'S INFORMATION

Mr. Shiu Shu Ming ("**Mr. Shiu**") was appointed as the non-executive Director on 10 June 2022 and was subsequently redesignated as the executive Director on 5 July 2022.

Mr. Shiu has been appointed as an independent non-executive director, a member of each of the audit committee, nomination committee and remuneration committee of Tianyun International Holdings Limited (stock code: 6836) with effect from 6 April 2022. Subsequently, Mr. Shiu has been appointed as the chairman of audit committee of Tianyun International Holdings Limited with effect from 23 April 2022. Also, Mr. Shiu has been appointed as an executive director of Town Health International Medical Group Limited (stock code: 3886) with effect from 11 November 2022. On 6 January 2023, Mr. Shiu has been appointed as a non-executive director of Kingkey Intelligence Culture Holdings Limited (stock code: 550).

Ms. Lee Nga Ching, an executive Director, has been appointed as an executive director of Golden Century International Holdings Group Limited (stock code: 91) with effect from 17 January 2023.

APPROVAL OF THE SECOND INTERIM FINANCIAL STATEMENTS

The Second Interim Financial Statements were approved by the Board on 14 February 2023.

OTHER INFORMATION

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

As at 31 December 2022, 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 taken 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 as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules were as follows:

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	0.83%
Ms. Lee Nga Ching	Beneficial owner ⁽⁴⁾	518,400	0.42%

Notes:

⁽¹⁾ There were 124,416,000 Shares in issue as at 31 December 2022.

⁽²⁾ 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.

⁽³⁾ 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).

⁽⁴⁾ 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 (as defined below).

Save as disclosed above, as at 31 December 2022, 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 taken 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 5.68 of the GEM Listing Rules.

OTHER INFORMATION

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the Reporting Period, the Directors and the chief executive of the Company (including their spouse and children under 18 years of age) had any interest in, or had been granted, or exercised, any rights to subscribe for Shares (or warrants or debentures, if applicable) of the Company and/or its associated corporations (within the meaning of the SFO).

Save for the share option scheme of the Company which was adopted by way of Shareholder's written resolution passed on 19 December 2013, at no time during the Reporting Period was the Company, any of its subsidiaries, its associated companies, its fellow subsidiaries or its holding companies a party to any arrangements to enable the Directors or the chief executive of the Company to hold any interests or short positions in the shares, underlying shares, or debentures of the Company and/or its associated corporations (within the meaning of the SFO).

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

As at 31 December 2022, so far as known to 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 of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be recorded in the register required to be kept under Section 336 of the SFO:

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%
Mr. Shiu Shu Ming	Beneficial owner ⁽²⁾ Interest of a controlled corporation ⁽³⁾	10,280,000 1,036,800	8.26% 0.83%

Notes:

⁽¹⁾ There were 124,416,000 Shares in issue as at 31 December 2022.

⁽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.

⁽³⁾ 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).

Save as disclosed above, as at 31 December 2022, the Directors were not aware of any other persons (other than a Director or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be recorded in the register required to be kept under Section 336 of the SFO.

OTHER INFORMATION

SHARE OPTION SCHEME

The share option scheme of the Company (the “Share Option Scheme”) has been adopted by way of Shareholder’s written resolution passed on 19 December 2013. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

On 23 June 2022, the Company had granted share options to certain eligible participants to subscribe for a total of 21,144,000 Shares under the Share Option Scheme at the exercise price of HK\$0.094 per Share for a validity period from 23 June 2022 to 22 June 2032 pursuant to the Share Option Scheme.

Details of the above grant of share options are set out in the Company’s announcement dated 23 June 2022.

Following the share consolidation of the Company became effective on 11 October 2022, pursuant to the terms of the Share Option Scheme, the exercise price of the outstanding share options and the number of shares to be allotted and issued upon full exercise of the subscription rights attaching to, will be adjusted to HK\$0.47 per share and 4,228,800 shares. Please refer to the Company’s announcement dated 24 October 2022 for details of the adjustment to the exercise price of the outstanding share options.

As at 31 December 2022, the total number of shares available for issue under share options granted under the Share Option Scheme was 3,192,000. Movement of share options during the Reporting Period are as below:

Name of Director/ category of participant	Date of grant	Exercise price	Exercise period	Vesting period	Outstanding at 1 January 2022	Granted during the period	Exercised during the period	Lapsed/ Forfeited during the period	Outstanding at 31 December 2022
Shiu Shu Ming	23 June 2022	HK\$0.47	From 23 June 2022 to 22 June 2032	No	-	1,036,800	-	-	1,036,800
Lam Shu Chung (Note)	23 June 2022	HK\$0.47	From 23 June 2022 to 22 June 2032	No	-	1,036,800	-	(1,036,800)	-
Lee Nga Ching	23 June 2022	HK\$0.47	From 23 June 2022 to 22 June 2032	No	-	518,400	-	-	518,400
Employees	23 June 2022	HK\$0.47	From 23 June 2022 to 22 June 2032	No	-	1,636,800	-	-	1,636,800
					-	4,228,800	-	(1,036,800)	3,192,000

Note: Mr. Lam has resigned as an executive Director with effective from 19 August 2022.

PURCHASE, SALE OR REDEMPTION OF SHARES

None of the Company or any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the Reporting Period.

CORPORATE GOVERNANCE PRACTICE

The Company is committed to achieving high standard of corporate governance. The Directors believe that sound and reasonable corporate governance practices are essential in providing a framework for the Company to safeguard the interests of its shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its 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 15 to the GEM Listing Rules. Throughout the twelve months ended 31 December 2022 and up to the date of this report, 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.2.1.

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, at the appropriate time, arrange for the election of the new chairman of the Board.

DIRECTORS' INTEREST IN COMPETING BUSINESS

None of the Directors and controlling shareholders of the Company nor their respective associates (as defined under the GEM Listing Rules) had any interest in any business as at 31 December 2022 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 5.46 to 5.68 of the GEM Listing Rules (the "**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 Standard of Dealings during the Reporting Period.

OTHER INFORMATION

AUDIT COMMITTEE

The Company has established an audit committee (the “**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 31 December 2022, the Audit Committee comprised three independent non-executive Directors, namely Mr. Tang Chung Wai, Ms. Chan Man Yi and Mr. Siu Kin Wai. Mr. Siu Kin Wai is the chairman of the Audit Committee.

The Group’s Second 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
Lee Nga Ching
Executive Director

Hong Kong, 14 February 2023

As at the date of this report, the Board comprises (i) Mr. Shiu Shu Ming, Ms. Lee Nga Ching and Ms. Suen Tin Yan as the executive Directors; and (ii) Mr. Siu Kin Wai, Mr. Tang Chung Wai and Ms. Chan Man Yi as the independent non-executive Directors.