

The logo consists of a solid gold square on the left containing the word "ORIENT" in white, uppercase, sans-serif font. To the right of the square, the company name is written in gold, uppercase, sans-serif font.

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

2022

Third Quarterly Report

The background features a series of thin, parallel, golden lines that curve and sweep across the page from the bottom left towards the top right, creating a sense of motion and depth against the solid gold background.

## **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.**

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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 “**Third Quarterly Financial Statements**”) of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the nine months ended 30 September 2022 (the “**Reporting Period**”), together with the comparative figures of the corresponding period in 2021 (the “**Corresponding Period**” or “**2021**”), as follow:

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the nine months ended 30 September 2022

	Note	For the three months ended 30 September		For the nine months ended 30 September	
		2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Revenue	4	9,741	14,664	29,803	38,457
Other income	5	5	—	6	4
		9,746	14,664	29,809	38,461
Employee costs		(1,745)	(2,396)	(6,642)	(7,404)
Administrative expenses		(2,755)	(1,786)	(7,108)	(7,917)
Finance costs		(20)	—	(101)	(75)
Profit before tax	6	5,226	10,482	15,958	23,065
Income tax expenses	7	(1,255)	(1,710)	(3,662)	(4,171)
Profit for the period attributable to owners of the Company		3,971	8,772	12,296	18,894
Other comprehensive income for the period		—	—	—	—
Total comprehensive income for the period attributable to owners of the Company		3,971	8,772	12,296	18,894
Earnings per share					
Basic	9	0.77 cents	2.03 cents	2.60 cents	4.37 cents
Diluted	9	0.74 cents	2.03 cents	2.49 cents	4.37 cents

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2022

	Attributable to owners of the Company					Total HK'000
	Share capital HK'000	Share premium HK'000 (note 10(a))	Merger reserve HK'000 (note 10(b))	Share option reserve HK'000	Retained profits HK'000	
At 1 January 2022 (audited)	4,320	138,016	8	—	206,312	348,656
Issue of shares upon placement	864	5,748	—	—	—	6,612
Grant of share options	—	—	—	1,987	—	1,987
Profit and total comprehensive income for the period	—	—	—	—	12,296	12,296
At 30 September 2022 (unaudited)	5,184	143,764	8	1,987	218,608	369,551

For the nine months ended 30 September 2021

	Attributable to owners of the Company					Total HK\$'000
	Share capital HK\$'000	Share Premium HK\$'000	Merger 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	—	—	—	18,894		18,894
At 30 September 2021 (unaudited)	4,320	138,016	8	207,231		349,575

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 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 GEM (“**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 15 January 2014. The Company’s registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company’s principal place of business in Hong Kong has been 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, Central, Hong Kong with effect from 1 October 2022.

The principal activity of the Company is investment holding. The Company and its subsidiaries (hereinafter collectively referred to as the “**Group**”) are 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 Third Quarterly Financial Statements have been prepared in accordance with the applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards (“**HKAS**”) and Interpretations 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 Third Quarterly Financial Statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, incomes and expenses on a year to date basis. Actual results may differ from these estimates.

The Third Quarterly Financial Statements include an explanation of events and transactions that are significant to an understanding of the changes in financial 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 HKFRSs which collective term includes all applicable individual HKFRSs, 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 Third Quarterly Financial Statements are consistent with those applied in the preparation of the 2021 Audited Consolidated Financial Statements.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2022

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

The Third Quarterly 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 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 Third Quarterly Financial Statements, the Group has not early adopted the new/revised HKFRSs that have been issued 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 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, results, assets and liabilities attributable to each reportable segment on the following bases:

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

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.



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2022

## 3. SEGMENT INFORMATION *(Continued)*

### 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.

The segment revenue and results for the nine months ended 30 September 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					
Revenue from external clients	716	564	3,837	24,686	29,803
Reportable segment profit	(74)	(70)	(417)	19,533	18,972

The segment revenue and results for the three months ended 30 September 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					
Revenue from external clients	336	—	1,289	8,116	9,741
Reportable segment profit	(27)	—	(103)	6,351	6,221

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2022

## 3. SEGMENT INFORMATION *(Continued)*

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

The segment revenue and results for the nine months ended 30 September 2021 are as follows:

	<b>Brokerage</b>	<b>Underwriting and placing</b>	<b>Margin financing</b>	<b>Money lending</b>	<b>Total</b>
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Reportable segment revenue					
Revenue from external clients	5,724	2,129	4,875	25,729	38,457
Reportable segment profit	3,432	1,277	2,923	15,429	23,061

The segment revenue and results for the three months ended 30 September 2021 are as follows:

	<b>Brokerage</b>	<b>Underwriting and placing</b>	<b>Margin financing</b>	<b>Money lending</b>	<b>Total</b>
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Reportable segment revenue					
Revenue from external clients	4,755	647	634	8,628	14,664
Reportable segment profit	3,399	462	453	6,168	10,482

### 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 nine months ended 30 September 2022 and 2021 are derived from Hong Kong. Accordingly, no analysis of geographical information is presented.



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2022

## 4. REVENUE

	For the three months ended 30 September		For the nine months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Commission from brokerage services and related service income	336	4,755	716	5,724
Commission from underwriting and placing services	—	647	564	2,129
Interest income from margin financing services	1,289	634	3,837	4,875
Interest income from money lending services	8,116	8,628	24,686	25,729
	9,741	14,664	29,803	38,457

## 5. OTHER INCOME

	For the three months ended 30 September		For the nine months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Interest income on — bank deposits	—	—	—	—
Sundry income	5	—	6	4
	5	—	6	4

## 6. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	For the three months ended 30 September		For the nine months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Staff costs and Directors' emoluments including commission paid to staff and other staff costs	1,745	2,396	6,642	7,404
Operating lease charges and depreciation of right-of-use assets in respect of office premises	799	787	2,373	2,902

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2022

## 7. INCOME TAX EXPENSES

	For the three months ended 30 September		For the nine months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Current tax — Hong Kong Profits Tax Provision for the period	1,255	1,710	3,662	4,171
	1,255	1,710	3,662	4,171

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 nine months ended 30 September 2022 (2021: Nil).

## 9. EARNINGS PER SHARE

### (a) Basic earnings per share

The calculation of the basic 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 30 September		For the nine months ended 30 September	
	2022 (unaudited)	2021 (unaudited)	2022 (unaudited)	2021 (unaudited)
Profit for the period attributable to owners of the Company (HK\$'000)	3,971	8,772	12,296	18,894
Weighted average number of ordinary shares in issue (Note)	518,400,000	432,000,000	472,193,407	432,000,000

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2022

## (b) Diluted earnings per share

The calculation of diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potentially dilutive ordinary shares. The Company's potentially dilutive ordinary shares comprised of share options.

	For the three months ended 30 September		For the nine months ended 30 September	
	2022 (unaudited)	2021 (unaudited)	2022 (unaudited)	2021 (unaudited)
Profit for the period attributable to owners of the Company (HK\$'000)	3,971	8,772	12,296	18,894
Weighted average number of ordinary shares in issue (Note)	518,400,000	432,000,000	472,193,407	432,000,000
Adjustments for share options	21,144,000	—	21,144,000	—
Weighted average number of ordinary shares for diluted earnings per share	539,544,000	432,000,000	493,337,407	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.

## 10. RESERVES

- (a) Share premium represents the excess of the net proceeds from issuance of the Company's shares over its par value. Under the law of the Cayman Islands and the Company's articles of association, it is distributable to the Company's shareholders provided that the Company is able to pay its debts as they fall due in the ordinary course of business.
- (b) Merger reserve of the Group represents the difference between the nominal value of the share capital of Capital Business International Limited acquired pursuant to the group reorganisation in preparation for the listing of the Company and the nominal value of share capital of the Company issued in exchange thereof.

# 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 82.83% of the Group’s total revenue.

The total revenue of the Group decreased from approximately HK\$38.46 million for the nine months ended 30 September 2021 to approximately HK\$29.80 million for the nine months ended 30 September 2022, representing a decrease of approximately 22.50%. 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. Although the management of the Group implemented cost control during the Reporting Period, the profit for the period attributable to owners of the Company of approximately HK\$12.30 million for the nine months ended 30 September 2022, representing a decrease of approximately 34.92% as compared to the Corresponding Period.

The management of the Group has 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 the investment and financing needs of customers. 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) and the Type 9 (asset management) licenses under the SFO, 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.

# MANAGEMENT DISCUSSION AND ANALYSIS

On the other hand, relating the development of the Type 9 (asset management) regulated activity, the Group has recently employed two responsible officers licensed under the SFO and submitted new business plan to the relevant department of the Securities and Futures Commission for application to resumption of the Type 9 license. The potential expansion of the Type 6 and Type 9 regulated activities will allow the Group to extend its coverage in the financial industry and become an enterprise that is capable of providing clients with one-stop comprehensive financial services (including underwriting of new share, bookrunner, custody, placing and other corporate finance advisory services), which will effectively integrate resources and reduce operating costs.

In light of the recurring COVID-19 and uncertainties in the market for a prolonged period, the Group will stick to its robust operational strategies, strictly control costs, actively expand business, and strive to provide better quality products and services. The Group will also capture the development opportunities to create better returns to its Shareholders.

## FINANCIAL REVIEW

### *Revenue*

For the Reporting Period, the Group recorded a revenue of approximately HK\$29,803,000, representing a decrease of approximately 22.50% as compared to the corresponding period of approximately HK\$38,457,000, 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 30 September 2022, the Group had 87 active securities accounts as reported pursuant to Securities and Futures (Financial Resources) Rules (Cap. 571N) (2021: 75 active securities accounts).

### *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 (Cap. 485 of the laws of Hong Kong).

Based on the existing business model, clients apply the loans from Orient Securities Finance Limited 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 evaluate 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.

## MANAGEMENT DISCUSSION AND ANALYSIS

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 at the date of this report, the management team of the money lending services consists of two key management personnel, and the overall management oversight is provided by Ms. Lee Nga Ching, who is the executive Director. Further, both of the key management personnel have over ten years of experience in the industry and are 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 first nine months ended 30 September 2022 was approximately HK\$6.64 million (2021: approximately HK\$7.40 million) which represented a decrease of approximately HK\$0.76 million or 10.29% compared with 2021.

### *Administrative expenses*

The total administrative expenses for the first nine months ended 30 September 2022 was approximately HK\$7.11 million (2021: HK\$7.92 million) which represented a decrease of approximately HK\$0.81 million or 10.22% compared with 2021.

### *Finance costs*

Finance costs represented interest expense recognised on lease liabilities and debentures. The Group recorded finance costs of approximately HK\$101,000 during the nine months ended 30 September 2022 (2021: approximately HK\$75,000).

### *Profit attributable to the owners of the Company*

The Group recorded a net profit attributable to owners of the Company of approximately HK\$12.30 million for the first nine months ended 30 September 2022 (2021: approximately HK\$18.89 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.

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 Third Quarterly Financial Statements.

# MANAGEMENT DISCUSSION AND ANALYSIS

## *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).

## *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.

## **USE OF PROCEEDS**

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 86,400,000 new ordinary shares under the general mandate at a subscription price of HK\$0.08 per subscription share.



## MANAGEMENT DISCUSSION AND ANALYSIS

The net proceeds at the time of its completion on 27 May 2022 were approximately HK\$6,612,000. As at 30 September 2022, the net proceeds had been applied as follows:

	Intended use of net proceeds HK\$'000	Amount utilised during the nine months ended 30 September 2022 HK\$'000	Unutilised net proceeds up to 30 September 2022 HK\$'000
(i) Potential change of location of the Company's registered office	3,000	506	2,494
(ii) Recruiting new staffs, in particular additional staff required for expansion of financial sector business	1,000	770	230
(iii) Daily office general and administrative purposes	2,612	2,478	134
	6,612	3,754	2,858

The expected timeline for the unutilised Net Proceeds is 30 June 2023.

### EVENT AFTER THE REPORTING PERIOD

The Company entered into the placing agreement on 1 November 2022 with Gransing Securities Co., Limited (the "Placing Agent"), pursuant to which the Company agreed to place through the Placing Agent up to a maximum of 20,736,000 ordinary shares of the Company (after share consolidation of every five (5) issued and unissued existing ordinary shares of par value of HK\$0.01 each into one (1) consolidated share of par value of HK\$0.05 each with effective from 11 October 2022. Please refer to the Company's circular dated 16 September 2022 and the poll results announcement dated 7 October 2022.) to not less than six places at the placing price of HK\$0.22 per placing Share on a best effort basis. Please refer to the Company's announcement dated 1 November 2022 for details.

Save as disclosed above, up to the date of this 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 nine months ended 30 September 2022.

### APPROVAL OF THE THIRD QUARTERLY FINANCIAL STATEMENTS

The Third Quarterly Financial Statements were approved by the Board on 8 November 2022.

## 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 30 September 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 5.67 of the GEM Listing Rules were as follows:

Name of Directors	Capacity/Nature of interest	Number of Shares held/ Interested	Approximate percentage of shareholding <sup>(1)</sup>
Mr. Shiu Shu Ming	Interest of a controlled corporation <sup>(2)</sup>	51,400,000	9.92%
	Beneficial owner <sup>(3)</sup>	5,184,000	1.00%
Mr. Lam Shu Chung	Beneficial owner <sup>(4)</sup>	5,184,000	1.00%
Ms. Lee Nga Ching	Beneficial owner <sup>(5)</sup>	2,592,000	0.50%

Notes:

1. There were 518,400,000 Shares in issue as at 30 September 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 51,400,000 Shares held by Wealthbase Global Limited by virtue of the SFO.
3. Mr. Shiu is interested in the 5,184,000 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. Mr. Lam Shu Chung (“**Mr. Lam**”) is interested in the 5,184,000 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 (as defined below). Mr. Lam has resigned as an executive Director with effective from 19 August 2022.
5. Ms. Lee Nga Ching is interested in the 2,592,000 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 30 September 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 5.67 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 30 September 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 <sup>(1)</sup>
Wealthbase Global Limited	Beneficial owner <sup>(2)</sup>	51,400,000	9.92%
Mr. Shiu Shu Ming	Beneficial owner <sup>(3)</sup> Interest of a controlled corporation <sup>(2)</sup>	5,184,000 51,400,000	1.00% 9.92%

Notes:

1. There were 518,400,000 Shares in issue as at 30 September 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 51,400,000 Shares held by Wealthbase Global Limited by virtue of the SFO.
3. Mr. Shiu is interested in the 5,184,000 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 30 September 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.

As at 30 September 2022, the total number of shares available for issue under share options granted under the Share Option Scheme was 21,144,000. 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 30 September 2022
Shiu Shu Ming	23 June 2022	HK\$0.094	From 23 June 2022 to 22 June 2023	No	—	5,184,000	—	—	5,184,000
Lam Shu Chung (Note)	23 June 2022	HK\$0.094	From 23 June 2022 to 22 June 2023	No	—	5,184,000	—	—	5,184,000
Lee Nga Ching	23 June 2022	HK\$0.094	From 23 June 2022 to 22 June 2023	No	—	2,592,000	—	—	2,592,000
Employees	23 June 2022	HK\$0.094	From 23 June 2022 to 22 June 2023	No	—	8,184,000	—	—	8,184,000
					—	21,144,000	—	—	21,144,000

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

## OTHER INFORMATION

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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 nine months ended 30 September 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 30 September 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 5.67 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 30 September 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 Third Quarterly 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, 8 November 2022

*As at the date of this report, the Board comprises (i) Mr. Shiu Shu Ming and Ms. Lee Nga Ching 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.*