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

*(Incorporated in the Cayman Islands with limited liability)*
(Stock Code: 8001)

## FULFILLMENT OF RESUMPTION CONDITION AND RESUMPTION OF TRADING

This announcement is made by Orient Securities International Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 17.10 of the Rules (the "**GEM Listing Rules**") Governing the Listing of Securities on GEM of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**").

References are made to (i) the announcements of the Company dated 23 December 2019, 3 January 2020, 18 March 2020, 26 March 2020 and 29 July 2020 in relation to, inter alia, the decision of the Stock Exchange to suspend trading in the Shares under Rule 9.04 of the GEM Listing Rules and proceed with cancellation of the Company's listing under Rule 9.14 of the GEM Listing Rules on the view of that the Company has not shown to have sufficient level of operations and assets that could enable it to carry out viable and sustainable business as required by Rule 17.26 of the GEM Listing Rules (the "**Decision**"); (ii) the announcement of the Company dated 5 August 2020 in relation to the Resumption Guidance; (iii) the announcements of the Company dated 29 October 2020, 29 January 2021 and 29 April 2021 in relation to the quarterly update on resumption progress (collectively, the "**Announcements**"); (iv) the annual report of the Company for the year ended 31 December 2020 ("**FY2020**"); and (v) the announcement of the Company dated 16 July 2021 in relation to the unaudited condensed consolidated results of the Group for the six months ended 30 June 2021. Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as those defined in the Announcements.

* *For identification purpose only*

## BACKGROUND OF SUSPENSION OF TRADING IN THE SHARES

Trading in the Shares on the Stock Exchange has been suspended since 30 July 2020. As disclosed in the announcement of the Company dated 23 December 2019, on 20 December 2019, the Stock Exchange issued a letter in respect of the Decision to the Company whereby it was stated that the Company had failed to maintain a sufficient level of operations and assets of sufficient value to support its operations under Rule 17.26 of the GEM Listing Rules to warrant the continued listing of the Shares, and that trading in the Shares be suspended under Rule 9.04(3) of the GEM Listing Rules. Review of the Decision was heard by the GEM Listing Committee on 10 March 2020 and that the GEM Listing Committee had decided to uphold the Decision.

The review of the GEM Listing Committee Decision was heard by the GEM Listing Review Committee on 10 July 2020. On 29 July 2020, the GEM Listing Review Committee informed the Company that they had decided to uphold the GEM Listing Committee Decision to suspend trading of the Shares under Rule 9.04(3) of the GEM Listing Rules (the "**GEM Listing Review Committee Decision**"). The Company then applied to the Stock Exchange for a suspension in trading of the Shares on the Stock Exchange with effect from 9:00 a.m. on 30 July 2020. Further, as set out in the GEM Listing Review Committee Decision, the GEM Listing Review Committee considered that if the Company achieves or exceeds the revenue of HK$57.29 million and the net profits before taxation of HK$29.83 million as indicated in its profit forecast for FY2020 through sustainable operations with no disposal of material assets, this will be reasonably strong evidence of re-compliance with Rule 17.26 of the GEM Listing Rules by the Company which should then not warrant a suspension of trading.

In view of the GEM Listing Review Committee Decision, the Company is required to re-comply with Rule 17.26 of the GEM Listing Rules and it will have a remedial period of 12 months to re-comply with Rule 17.26 of the GEM Listing Rules. If the Company fails to do so by the expiry of the 12-month period (i.e. 29 July 2021), the Stock Exchange will proceed with cancellation of the Company's listing.

## FULFILLMENT OF RESUMPTION CONDITION

On 4 August 2020, the Company received a letter from the Stock Exchange setting out the Resumption Guidance with the following condition:

- demonstrate its compliance with Rule 17.26 of the GEM Listing Rules (the "**Resumption Condition**").

Under Rule 9.14A(1) of the GEM Listing Rules, the Stock Exchange may cancel the listing of any securities that have been suspended from trading for a continuous period of 12 months. In the case of the Company, the 12-month period expires on 29 July 2021. If the Company fails to remedy the issue(s) causing its trading suspension, fulfill the Resumption Condition and fully comply with the GEM Listing Rules to the Stock Exchange's satisfaction and resume trading in the Shares by 29 July 2021, the Listing Division of the Stock Exchange will recommend the GEM Listing Committee to proceed with the cancellation of the Company's listing.

The Board is pleased to announce that the Company had fulfilled the Resumption Condition to the satisfaction of the Stock Exchange. In order to fulfill the Resumption Condition, the Group had continued to review its existing businesses and its financial position from time to time and had been committed to improve its existing business operations. Further, the Group had identified potential business to expand its source of income in order to maximise the return to the Shareholders. Details of how the Company fulfilled the Resumption Condition are set out below.

As disclosed in the annual report of the Company for FY2020 (the "**2020 Annual Report**"), the Group's total revenue for FY2020 was approximately HK$59,292,000 (2019: HK$34,747,000), which represented an increase of approximately 71% as compared with the corresponding period in 2019 and exceeded the revenue of HK$57.29 million as required by the GEM Listing Review Committee through sustainable operations with no disposal of material assets. The Group also recorded a profit attributable to owners of the Company of approximately HK$16,860,000 for FY2020 (2019: HK$4,173,000), which represented an increase of approximately HK$12,687,000 as compared with the corresponding period in 2019. Further, the Group recorded a profit before taxation of approximately HK$21,142,000 for FY2020 (2019: HK$7,868,000), which represented an increase of approximately HK$13,274,000 as compared with the corresponding period in 2019. Despite the increase, the Group did not meet the net profits before taxation of HK$29.83 million as required by the GEM Listing Review Committee pursuant to the GEM Listing Review Committee Decision. For further details, please refer to the paragraph headed "Profit before taxation" in this announcement.

**The Brokerage Business**

For FY2020, the revenue of the Group generated from the provision of brokerage services of the Group (the "**Brokerage Business**") recorded approximately HK$2.16 million, representing a decrease of approximately HK$0.13 million or 5.8% as compared with the corresponding period in 2019. Such decrease was mainly caused by the negative market sentiment as a result of the outbreak of novel coronavirus pneumonia ("**COVID-19**").

The Brokerage Business is expected to be more active after the imposition of the Minimum Trading Threshold (as defined below) as clients are encouraged to purchase securities on a margin basis and are required to trade through their accounts with the Group when utilising the margin financing services.

China Connect, a mutual market access program, was launched in November 2014 and is a unique collaboration between the Stock Exchange, Shanghai Stock Exchange and Shenzhen Stock Exchange, which allows international and Mainland Chinese investors to trade securities in each other's markets through the trading and clearing facilities of their home exchange.

The Company considered that the China Connect business would be beneficial to the Group as it would enable the Group to raise its profile, enlarge its client base, expand its service offerings to clients, generate additional commission income from the Brokerage Business and increase its interest income from the provision of securities and initial public offering financing services of the Group (the "**Margin Financing Business**"). As such, the Company is considering to develop its China Connect business by applying to the Stock Exchange for registration as a China Connect Exchange Participant. In the event that the Group proceeds with the China Connect business, the Group plans to install and upgrade its front/back-office systems, enhance its risk management systems and make any other necessary investments to facilitate the smooth operation of the China Connect business.

**The Margin Financing Business**

In respect of the Margin Financing Business, after publishing of the Group's financial results for the six months ended 30 June 2019, the Directors conducted an interim review on the business direction and resources and risk management of the Group. In order to manage the Group's resources efficiently, the management has reviewed the status of the Group's inactive margin accounts (i.e. accounts which have not recorded any transactions in the previous 12 months) from time to time. As at 30 June 2019, there were 363 inactive margin accounts which did not carry any trading for more than one year. In order to encourage those inactive margin accounts to become more active, the Group has implemented the minimum trading threshold (the "**Minimum Trading Threshold**") in October 2019 which requires margin clients to meet a minimum level of trading volume each month in respect of its margin accounts maintained with the Group. Any failure of the clients accredited to it to comply with the Minimum Trading Threshold would be subject to an additional service fee (the "**Additional Service Fee**") of 1.5% per month based on the credit limit granted. The Minimum Trading Threshold requirement has been a success in terms of generating additional revenue for the Group as the Additional Service Fee amounted to approximately HK$2.1 million for FY2020. Due to the implementation of the Minimum Trading Threshold, the revenue of the Group generated from the Margin Financing Business recorded approximately HK$7.17 million for FY2020, representing an increase of approximately HK$1.65 million or 29.93% as compared with the corresponding period in 2019.

The Company plans to adopt a more capital-driven approach to provide clients with liquidity for meeting their needs and increase the focus on the development of capital-based intermediary business starting in fixed-income business. To tap into the growing financing needs as well as to enlarge the customer base of institutional clients who have stronger demand for both financing and other financial services that the Group is offering such as brokerage services, thereby creating more cross-selling opportunity, the Group intends to further its loan and financing capability. To achieve this, the Group intends to increase its liquid capital through conducting fund-raising exercise (including but not limited to share placement, rights issue and/or bank loan financing) and apply the net proceeds from such fund-raising exercise to fund future capital requirement for developing its loans and financing business. As at the date of this announcement, the Company has no plan to conduct any equity fund-raising exercise. The Company will publish further announcement(s) in relation to the fund-raising exercise, if any, as and when appropriate.

It is expected that by strengthening the capital base of the Group, the Group will be able to achieve a promising growth on its interest income in both revenue and profitability of the Margin Financing Business going forward and that this segment will be one of the significant revenue and profit contributors for the Group in the long run.

**The Underwriting and Placing Business**

The performance of the provision of underwriting and placing services of the Group (the "**Underwriting and Placing Business**") had severely deteriorated and generated no income during the financial years ended 31 December 2018 and 2019 ("**FY2019**") due to, among others, the following factors: (i) insufficient liquid capital of the Group to participate in sizable underwriting exercise; (ii) intense competition of Category C brokers faced by the Group; and (iii) volatile market conditions during the relevant period. Notwithstanding the above, the Directors considered that the Group will be able to turn around the Underwriting and Placing Business by putting more resources in this business segment and providing greater incentives to the account executives of the Group (the "**Account Executives**") for securing new businesses.

In view of the challenges facing the Underwriting and Placing Business, active measures had been taken by the Board to enhance the competitiveness of the Group. For example, after reviewing the remuneration packages of existing Account Executives, in January 2020, the Board has implemented the incentive scheme (the "**Incentive Scheme**") for the Account Executives in order to motivate and reward them for generating new businesses for the Group. Under the Incentive Scheme, the Account Executives will be entitled to a 10% commission on any actual revenue generated and received by the Group as a direct result of any business referral for placing and/or underwriting projects from the relevant Account Executives.

Following the implementation of the Incentive Scheme in January 2020, the Underwriting and Placing Business had substantially improved and the Group had completed 21 placing and/or underwriting projects during FY2020. For FY2020, the Group recorded an income from the Underwriting and Placing Business of approximately HK$15.21 million, representing approximately 25.7% of the total revenue recorded for the year.

Since the trading in the Shares on the Stock Exchange has been suspended on 30 July 2020, nine placing and/or underwriting projects were entered into by the Group, of which seven were completed as at the date of this announcement.

The significant improvement in the financial performance of the Underwriting and Placing Business since December 2019 is in line with the Group's change in business strategy to place more focus on business development with institutional clients. The Directors considered that the Group will be able to generate more revenue with higher profit margin from the institutional clients from the Underwriting and Placing Business as compared with the retail clients from the Margin Financing Business and the Brokerage Business.

**The Money Lending Business**

Due to the Group's prudent money lending policy and sound risk and credit assessment, the provision of money lending services of the Group (the "**Money Lending Business**") managed to maintain a low default rate for both secured and unsecured loans to money lending clients for FY2019, FY2020 and the six months ended 30 June 2021.

Having considered that the Money Lending Business is characterised by its capital-intensive nature, loans provided to clients are mainly sourced from the Group's internal resources. The Group has been effectively leveraging up its capital structure to capture the surging financing demand from the clients, which in turn, fuels the expansion of and maximises the return from this business segment.

For FY2020, revenue of the Group generated from the Money Lending Business recorded approximately HK$32.21 million, representing an increase of approximately HK$6.98 million or 27.67% as compared with the corresponding period in 2019. It is expected that the Money Lending Business will remain stable in the near future.

**The Investment Immigration Business**

The Group has expanded into the provision of investment immigration related financial services (the "**Investment Immigration Business**") in October 2019. The Investment Immigration Business targets CIES investors (the "**CIES Investors**"), being Hong Kong investment immigrants who are interested in making a capital investment in financial assets of not less than HK$10 million in return for obtaining entry of residence in Hong Kong pursuant to the Rules for the Capital Investment Entrant Scheme introduced by the Hong Kong Government (the "**Scheme**"). The Group currently has 85 CIES Investors who are clients from the Brokerage Business.

The Group charges each entrant a service fee of HK$30,000 per annum for the CIES Services (as defined below). The Company has previously sent out confirmation to 58 clients who are classified as CIES Investor, of which 57 had already given their consent and agreed to pay such fees. Revenue generated from the Investment Immigration Business amounted to approximately HK$1.71 million for FY2019. The Directors considered that the current pricing policy for the provision of the CIES Services is competitive in the market and there is great potential for the Group to expand this business segment.

In order to be eligible, a CIES Investor will need to satisfy, among others, the following criteria: (a) aged 18 or above; (b) invest in not less than HK$10 million in financial assets; and (c) have no adverse immigration record and meets normal immigration and security requirements. It is noted that a licensed corporation to carry on Type 1, 4 or 9 regulated activities under the SFO such as Orient Securities Limited ("**OSL**"), being an indirect wholly-owned subsidiary of the Company, is one of the authorised financial intermediaries apart from banks and insurers to carry out the investment immigration business.

The scope of service (the "**CIES Services**") provided by the Group to each CIES Investor includes the following:

(a) provide professional investment services based on the client's risk appetite and investment objectives;

(b) ensure the CIES Investor's account has been invested in the permissible financial assets under the CIES to fulfill the application requirement;

(c) ensure the CIES Investor complies with the applicable requirements under the Scheme when switching between permissible financial assets;

(d) notify the Immigration Department when there is a withdrawal of the financial assets or failure to maintain the financial assets in the designated account;

(e) conduct regular review on the market as well as on the client's portfolio in order to capture potential investment opportunity; and

(f) submit annual report of the CIES Investor's account to the Immigration Department together with an annual confirmation in writing as to whether the CIES Investor has complied fully with the reporting obligations set out in the Scheme in support of the application requirement.

The revenue of the Group generated from the Investment Immigration Business recorded approximately HK$2.55 million for FY2020, representing an increase of approximately HK$0.84 million or 49.12% as compared with the corresponding period in 2019. Such increase was mainly driven by the increase in the number of the CIES Investors, which has increased from 57 for FY2019 to 85 for FY2020.

In order to attract more potential clients who are waiting for CIES approval, the Directors are in the course of building partnerships with immigration agencies. It is believed that developing cross referral relationships with immigration agencies will create synergy effect to allow the Company to gain access to the pool of CIES Investors managed by such immigration agencies and promote its Investment Immigration Business, whereas the Company can add value by referring clients who require immigration consultancy services to such agencies.

The Group is currently in discussion with two immigration agencies in relation to the possible business cooperation. It is noted that both immigration agencies are well established immigration agencies in the PRC with over 16 years' and 10 years' experience in the provision of immigration consultancy services, respectively, and their clients are mainly Chinese citizens. Over the years, the immigration agencies have established extensive customer base and some of their clients are interested to immigrate to Hong Kong through the Scheme.

On 5 February 2020 and 13 February 2020, OSL, as the securities agent, entered into a memorandum of understanding with each of the two immigration agencies, as the introducer, pursuant to which the each of the immigration agencies has agreed to introduce potential client(s) who are CIES Investors to OSL and OSL has agreed to provide the CIES Services, subject to the terms and conditions of the memorandum of understanding. The referral fee payable by OSL to each of the immigration agencies will be subject to further negotiation between the parties thereto and subject to the finalisation of the agency agreement to be entered into between OSL and each of the immigration agencies within three months from the date of the respective memorandum of understanding.

However, due to the outbreak of COVID-19, the Chinese government has implemented a series of prevention and control measures, including but not limited to the regional traffic control, quarantine measures on travellers to and from the Mainland China and Hong Kong and the close of borders of the Mainland China with Hong Kong. This has led to unavoidable impact on the execution of the business plans for the Investment Immigration Business as potential client(s) who are CIES Investors will have difficulty travelling to and from Hong Kong. As a result, the discussions and negotiations regarding the entering into of agency agreement between OSL and each of the immigration agencies have been delayed and the parties have not been able to enter into the agency agreements.

In light of the current situation, on 4 June 2021, OSL and each of the immigration agencies have further entered into another memorandum of understanding pursuant to which each of the immigration agencies has agreed to introduce potential client(s) who are CIES Investors to OSL and OSL has agreed to provide the CIES Services and each of the immigration agencies and OSL shall negotiate in good faith towards one another in ensuring that the agency agreements be entered into within three months from the date of the memorandum of understanding or such later date as the parties may agree.

Having considered the proven track record of both companies, the Directors expected that the Group's client base could be further expanded to cover those CIES Investors as the Group tap into the Investment Immigration Business in the coming few years. Further, the business cooperation with the immigration agencies will enable the Group to have a stable source of customers in respect of the Investment Immigration Business. Given that OSL will act as a financial intermediary for the management and operation of the accounts of the CIES Investors in accordance with the requirements of the Scheme, the Investment Immigration Business may also have a synergy effect on the Brokerage Business and the Margin Financing Business. Having considered (i) the business cooperation with the above reputable immigration agencies; and (ii) the potential revenue generated from the Investment Immigration Business, the Directors expect that the Investment Immigration Business will generate positive cash flow for the Group in the coming few years.

**The Asset Management Business**

The Group plans to gradually transform itself from a conventional securities brokerage firm to an integrated service provider for client wealth management. To achieve this, the Group has already established a team for distribution of financial products and obtained a license for Type 9 (assets management) regulated activities under the SFO in April 2019.

The Company has been exploring potential business cooperation opportunities and discussing with various potential business partners for the development of the provision of the asset management services of the Group (the "**Asset Management Business**"). However, as the trading of the Shares has been suspended on the Stock Exchange since 30 July 2020, the discussions with the potential business partners have also been suspended by the other party. The Group expects that the discussions with the potential business partners would resume when the trading in the Shares on the Stock Exchange is resumed. The Group will continue to explore potential business cooperation opportunities with other licensed corporations for the development of the Asset Management Business.

The Board believes that the expansion of the Assets Management Business will broaden the revenue base in the long run by generating monthly management fee and performance-based incentive income. It could also create a synergy effect and complement the growth of the Underwriting and Placing Business, the Brokerage Business, the Margin Financing Business and the Investment Immigration Business.

**Profit before taxation**

Nevertheless, as mentioned above, the Group recorded a profit before taxation of approximately HK$21.14 million for FY2020. Such profit was lower than the level as forecasted by the Company for FY2020 in May 2020 and as required by the GEM Listing Review Committee (i.e. HK$29.83 million). This was due to an increase of other operating expenses of approximately HK$15.6 million incurred during FY2020. As set out in the 2020 Annual Report, the other operating expenses represented the expected credit loss provided during FY2020 and such increase was due to a provision provided, after assessing the recoverability of receivables, costs and time needed to recover such amounts, and the estimated final amounts that can be recovered after taking necessary actions by the management of the Company, to reflect the latest status of the receivables as required under Hong Kong Financial Reporting Standards 9.

As the economy was not favourable in FY2020 due to the outbreak of COVID-19, the management of the Company believed that it was appropriate to make such provision; however, at the same time, the management of the Company has engaged legal advisers to advise on the recoverability of such provision and will actively monitor the relevant outstanding receivables. The Company will also take appropriate actions from time to time to reduce the credit risk exposed to the Group. The Company is of the view that such provision can be reversed as income to the Group once the situation is improved.

In respect of the discrepancy in the actual and forecasted profit before taxation, the Company would like to clarify that at the time of preparing the forecast, the local situation of COVID-19 was considered to be stable and under control. With reference to the outbreak of the severe acute respiratory syndrome in Hong Kong in 2003 which lasted for about six months and with reference to the infection rate, the death rate and the severity of COVID-19 in Hong Kong in May 2020, the Company was of the view that the outbreak of COVID-19 was reaching to its end in Hong Kong. As such, the Company only forecasted an expected credit loss of HK$2.5 million for FY2020 back then. It was unknown and unpredictable to the Company at the time of preparing such forecast that COVID-19 would still be a continuous threat to the Company and the local economy for FY2020.

Although the outbreak and ongoing impact of the COVID-19 has seriously affected the global and Hong Kong economic environment, due to the great efforts of the Directors and the staff of the Group, the Group still recorded a substantial increment in its revenue and profit before taxation for FY2020.

## 2021 PROFIT FORECAST

Set out below is a table showing the revenue of each of the Group's business segment and the profit before taxation for the year ending 31 December 2021 as extracted from the profit forecast of the Group for the year ending 31 December 2021 (the "**2021 Profit Forecast**"):

| | *(HK$'000)* |
|---|---:|
| **Revenue** | |
| The Brokerage Business | 2,950 |
| The Underwriting and Placing Business | 13,000 |
| The Margin Financing Business | 9,434 |
| The Money Lending Business | 28,322 |
| The Investment Immigration Business | 3,390 |
| **Total revenue** | 57,096 |
| **Profit before taxation** | 29,819 |

## ASSUMPTIONS OF THE 2021 PROFIT FORECAST

Details of the principal assumptions, including commercial assumptions, upon which the 2021 Profit Forecast was based are as follows:

(i) there will be no material changes in existing political, legal, fiscal, social or economic conditions in Hong Kong or elsewhere in which the Group carries on business;

(ii) there will be no material changes in legislation, regulations or restrictions whether in Hong Kong or elsewhere materially affecting the business carried on by the Group;

(iii) there will be no material changes in inflation, interest rates and foreign currency exchange rates from those currently prevailing;

(iv) there will be no material changes in the bases or rates of tax applicable to the activities of the Group or rates of levies in the territories in which the Group carries on business;

(v) there will be no material changes in the macroeconomic measures taken by Hong Kong or elsewhere materially affecting the business carried on by the Group;

(vi) there will be no changes in the existing accounting policies normally adopted by Group;

(vii) there will be no significant changes in the critical accounting estimates and judgements;

(viii) there will be no material changes in the Group's structure and the equity interest in subsidiaries held by the Group;

(ix) the 2021 Profit Forecast has been prepared taking into account the continued involvement of the Directors, key senior management and other necessary talents in the management and development of the Group's operations. It is assumed that the Group will be able to retain its key management personnel during the forecast period;

(x) there will be no major litigation costs incurred during the forecast period;

(xi) there will be no significant changes in activities in the financial industry in which the Group operates including market downturn and competition that will affect the volume and demand for the Group's services during the forecast period;

(xii) it is assumed that no abnormal or extraordinary items will occur during the forecast period; and

(xiii) forecast of revenue is primarily based on the audited combined results for FY2019 and FY2020.

Euto Capital Partners Limited ("**Euto Capital**") has been engaged by the Company to act as the financial adviser of the Company to review, among others, the 2021 Profit Forecast, the unaudited consolidated financial results of the Company for the six months ended 30 June 2021 and the key assumptions upon which the 2021 Profit Forecast was based and is of the view that the 2021 Profit Forecast was made after due and careful enquiry. Also, BDO Limited ("**BDO**"), the auditors of the Company, has been engaged by the Company to review the accounting policies, arithmetical calculations and compilation of the 2021 Profit Forecast.

**EXPERTS AND CONSENTS**

A letter from BDO and a letter from Euto Capital are included in the appendices to this announcement. The following are the qualifications of BDO and Euto Capital:

| **Name** | **Qualification** |
|---|---|
| BDO Limited | Certified Public Accountants |
| Euto Capital Partner Limited | a licenced corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO |

Each of BDO and Euto Capital has given and has not withdrawn its respective written consent to the publication of this announcement with inclusion of its report/letter and all references to its name (including its qualifications) in the form and context in which they are included.

To the best knowledge, information and belief of the Board and having made all reasonable enquiries, each of BDO and Euto Capital is a third party independent of the Group and is not a connected person of the Group. As at the date of this announcement, neither BDO and Euto Capital has any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate person(s) to subscribe for securities in any member of the Group.

As at the date of the announcement, neither BDO and Euto Capital had any direct or indirect interests in any assets which have been, since 31 December 2020 (the date to which the latest published annual results of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

Despite the adverse effect of COVID-19 on the economic environment, the Group still recorded a substantial increment in its turnover and profit before taxation for FY2020 and will continue to be committed to improving the existing business operations. On the basis of the above, the Directors are of the view that (i) the Company's business and operations of the Group are viable; (ii) a reasonable and achievable future plan has been drawn up; and (iii) financial sustainability has been restored which warrants the continued listing of the Shares on the Stock Exchange.

**RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 30 July 2020. As the Resumption Condition has been fulfilled, an application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 2 August 2021.

By order of the Board
**Orient Securities International Holdings Limited**
**Lee Nga Ching**
*Executive Director*

Hong Kong, 30 July 2021

*As at the date of this announcement, the executive Directors are Mr. Lam Shu Chung, Ms. Lee Nga Ching and Ms. Cheung Yu Xuan and the independent non-executive Directors are Mr. Siu Kin Wai, Mr. Tang Chung Wai and Ms. Chan Man Yi.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

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

Private and Confidential

The Board of Directors
Orient Securities International Holdings Limited
Room 3101 & 3117-3118
31/F., China Merchants Tower
16 July 2021
Our ref: 077125-OA1221 / 1607

Dear Sirs

**ORIENT SECURITIES INTERNATIONAL HOLDINGS LIMITED (the "Company")**
**PROFIT FORECAST FOR THE YEAR ENDING 31 DECEMBER 2021**

We refer to the forecast of the consolidated profit attributable to equity holders of the Company for the year ending 31 December 2021 (the "**Profit Forecast**") set forth in the section headed "Financial Information" in the resumption proposal of the Company dated 5 May 2021 submitted to The Stock Exchange of Hong Kong Limited.

**Directors' Responsibilities**

The Profit Forecast has been prepared by the directors of the Company based on the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2020 and a forecast of the consolidated results for the year ending 31 December 2021.

The Company's directors are solely responsible for the Profit Forecast.

**Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting Accountants' Responsibilities**

Our responsibility is to express an opinion on the accounting policies and calculations of the Profit Forecast based on our procedures.

We conducted our engagement in accordance with the terms of our engagement letter dated 12 July 2021 and Hong Kong Standard on Investment Circular Reporting Engagements 500 "Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness" and with reference to Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the HKICPA. Those standards require that we plan and perform our work to obtain reasonable assurance as to whether the Company's directors have properly compiled the Profit Forecast in accordance with the bases and assumptions adopted by the directors and as to whether the Profit Forecast is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

**Opinion**

In our opinion, so far as the accounting policies and calculations are concerned, the Profit Forecast has been properly compiled in accordance with the bases and assumptions adopted by the directors as set out in the Profit Forecast and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in the published audited consolidated financial statements of the Group for the year ended 31 December 2020.

Yours faithfully
BDO Limited

19 July 2021

**Orient Securities International Holdings Limited**
Rooms 3101 & 3117-3118, 31/F.
China Merchants Tower
Shun Tak Centre
Nos. 168-200 Connaught Road Central
Hong Kong

Attn: The Board of Directors

Dear Sir,

We hereby refer to the profit forecast prepared by Orient Securities International Holdings Limited (the "**Company**") in relation to the consolidated income statement of the Company for the financial year ending 2021 (the "**2021 Profit Forecast**"), which is set out in the Appendix B of the submission to the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") by the Company dated 5 May 2021 (the "**Submission**"). Terms used herein shall have the same meanings as those defined in the Submission unless the context otherwise requires.

The 2021 Profit Forecast is regarded as a profit forecast under Rule 14.61 of the Listing Rules. We, as financial adviser to the Company, have reviewed, among others, the 2021 Profit Forecast, the unaudited consolidated financial results of the Company for the 6 months ended 30 June 2021 and the key assumptions upon which the 2021 Profit Forecast was based, for which the Directors are solely responsible, and have discussed with the management of the Company and the bases and assumptions upon which the 2021 Profit Forecast has been prepared. We have also considered the letter from BDO Limited dated 16 July 2021 addressed to the board of Directors regarding the calculations of the 2021 Profit Forecast.

On the basis of the foregoing and without giving any opinion on the reasonableness of the 2021 Profit Forecast, bases and assumptions adopted by the Company for which the Company is solely responsible, we are of the opinion that the 2021 Profit Forecast, has been made after due and careful enquiry.

The work undertaken by us in giving the above opinion has been undertaken for the purpose of reporting solely to the Board under Rule 19.62 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange and for no other purpose. We accept no responsibility to any other person in respect of, arising out of or in connection with our work.

Yours faithfully
For and on behalf of
**Euto Capital Partners Limited**