



# SOMERLEY CAPITAL HOLDINGS LIMITED

**Somerley Capital Holdings Limited**

**新百利融資控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8439)**

## **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020**

### **CHARACTERISTICS OF 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 announcement, for which the directors of Somerley Capital 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 of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company and its subsidiaries (together, the “Group”). The directors of 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.*

## INTERIM FINANCIAL HIGHLIGHTS

- The Group's total revenue increased by approximately 4.0% to approximately HK\$36.1 million for the six months ended 30 September 2020 (the "Period") from approximately HK\$34.7 million for the six months ended 30 September 2019.
- Revenue generated from acting as financial adviser and as independent financial adviser for the Period amounted to approximately HK\$28.0 million (2019: approximately HK\$21.9 million), accounting for approximately 77.6% of the Group's total revenue (2019: approximately 63.1%).
- Revenue generated from acting as compliance adviser for the Period amounted to approximately HK\$7.9 million (2019: approximately HK\$8.4 million), accounting for approximately 21.9% of the Group's total revenue (2019: approximately 24.2%).
- With a gradual recovery of stock market during the Period, the Group recorded an unrealised fair value gain of approximately HK\$5.6 million on its investment in The Climate Impact Asia Fund.
- For the Period, the Group recorded a profit before tax of approximately HK\$6.6 million (2019: loss before tax of approximately HK\$1.6 million), and after-tax profit was approximately HK\$6.5 million (2019: loss after tax of approximately HK\$1.6 million). The profit was primarily due to (i) an increase in revenue; (ii) a net decrease in total operating expenses; and (iii) the unrealised fair value gain on the investment in The Climate Impact Asia Fund.
- The Group's net assets as at 30 September 2020 increased to approximately HK\$103.6 million from approximately HK\$100.5 million as at 31 March 2020 as a result of the combined effects of (i) the after-tax profit for the Period and (ii) payment of the final dividend for the year ended 31 March 2020 of approximately HK\$3.5 million.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW AND PROSPECT**

The Group is an integrated financial services provider licensed to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”) and is principally engaged in providing (i) corporate finance advisory services in Hong Kong and through its subsidiaries in Hong Kong and Beijing; and (ii) asset management services in Hong Kong.

The corporate finance advisory business operated by Somerley Capital Limited (“Somerley Capital”) and Somerley Capital (Beijing) Limited is the Group’s core business segment. The Group’s corporate finance advisory services mainly include (i) acting as financial adviser to Hong Kong public listed companies, major shareholders and investors of these companies and parties seeking to control or invest in listed companies in Hong Kong, mostly in transactions which involve the Rules Governing the Listing of Securities on the Stock Exchange, the GEM Listing Rules and/or the Codes on Takeovers and Mergers and Share Buy-backs; (ii) acting as independent financial adviser to independent board committees and/or independent shareholders of listed companies in Hong Kong; (iii) acting as compliance adviser, mostly for newly listed companies in Hong Kong; (iv) acting as sponsor to initial public offerings and listings of shares of companies on the Stock Exchange in Hong Kong and advising on secondary equity issues in Hong Kong; and (v) acting as advisor to the cross-border mergers and acquisitions.

Environmental Investment Services Asia Limited (“EISAL”) operates the Group’s asset management business. Currently, EISAL manages The Climate Impact Asia Fund (“CIAF”), an innovative climate impact fund focused on low carbon listed equity investments in the Asian region. On 15 September 2020, CIAF was awarded the Environmental Finance 2020 Award for Impact Initiative of the Year: Asia. Since the launch on 3 January 2020, the net asset value per CIAF Share increased from US\$100 to approximately US\$107.4 as at 30 September 2020.

During the Period, the Group recorded a profit after tax of approximately HK\$6.5 million, showing a sharp improvement over the loss for the corresponding period of 2019 of approximately HK\$1.6 million particularly in the second quarter of the financial year ending 31 March 2021.

**For the six months ended 30 September**

	2020			2019		
	CF	AM	Total	CF	AM	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Segment revenue	<u>35,848</u>	<u>248</u>	<u>36,096</u>	<u>34,562</u>	<u>106</u>	<u>34,668</u>
Segment profit (loss)	3,049	(794)	2,255	1,283	(1,290)	(7)
Fair value gain on the investment in CIAF			5,643			—
Corporate and other unallocated expenses, net			<u>(1,324)</u>			<u>(1,635)</u>
Profit (loss) before tax			<u>6,574</u>			<u>(1,642)</u>

The corporate finance advisory business segment recorded revenue of approximately HK\$35.8 million (2019: approximately HK\$34.6 million) and a segment profit before tax of approximately HK\$3.0 million (2019: approximately HK\$1.3 million). The increase in profit was mainly attributable to (i) a modest increase in revenue; and (ii) the reduction in employee benefits costs as a result of the government grant during the Period.

The asset management business segment recorded revenue of approximately HK\$0.2 million (2019: approximately HK\$0.1 million) and a segment loss before tax of approximately HK\$0.8 million (2019: approximately HK\$1.3 million). The segment loss reflects the early stage of development of the Group's asset management business.

During the year ended 31 March 2020, there was an approximately HK\$4.0 million decrease in the fair value of the Group's investment in CIAF, reflecting adverse stock market conditions. With a gradual recovery of stock market during the Period, the Group recorded an unrealised fair value gain of approximately HK\$5.6 million on its investment in CIAF.

The return to profit during the Period was mainly due to the combined effects of (i) the increase in revenue generated from corporate finance advisory services; (ii) a net decrease in total operating expenses; and (iii) an unrealised fair value gain on the investment in the shares in CIAF.

The Group's corporate finance segment recorded a profit of approximately HK\$3.0 million during the Period as a result of the continuous dedication of the Group's colleagues in such difficult operating environment and the Group's active participation in transactions favoured by the market — privatisations and restructurings for example. The Group's Beijing team continues to integrate effectively with Hong Kong and their physical presence in mainland China has becoming more important as travel between China and Hong Kong is still restricted. The Directors considers the Hong Kong financial market can weather the current economic uncertainty as China's economy is rebounding and the pandemic situation in China and Hong Kong seems to be under control. Leveraging on the Group's positive result for the Period and based on the existing deal flow, the Directors are cautiously optimistic for the Group's result for the second half of this financial year.

## **FINANCIAL REVIEW**

### **Revenue**

The Group's total revenue increased by approximately 4.0% to approximately HK\$36.1 million for the Period from approximately HK\$34.7 million for the six months ended 30 September 2019.

Revenue generated from acting as financial adviser ("FA") and as independent financial adviser ("IFA") for the Period amounted to approximately HK\$28.0 million (2019: approximately HK\$21.9 million), accounting for approximately 77.6% of the Group's total revenue (2019: approximately 63.1%). The increase is mainly attributable to winning a higher level of mandate and executing transactions efficiently. FA and IFA activities are expected to remain the major source of the Group's revenue in the immediate future.

Revenue generated from acting as compliance adviser ("CA") for the Period amounted to approximately HK\$7.9 million (2019: approximately HK\$8.4 million), accounting for approximately 21.9% of the Group's total revenue (2019: approximately 24.2%). CA activities continue to provide a stable source of income to the Group, complementing the more fluctuating corporate finance advisory income.

The rest of the Group's revenue for the Period were contributed by the provision of the asset management service.

### **Other Income**

Other income mainly represented bank interest income, management service fee income from Somerley Group Limited ("SGL"), rental income and reimbursement of other premise expenses from SGL. Other income decreased to approximately HK\$0.5 million for the Period from approximately HK\$1.0 million for the six months ended 30 September 2019, primarily due to the decrease in interest income from bank deposits.

## Employee Benefits Costs

The Group's employee benefits costs primarily consist of fees, salaries, bonuses, share-based payments and allowances as well as contributions to retirement benefits scheme for the Directors and the employees of the Group.

	For the six months ended 30 September	
	2020	2019
	HK\$'000	HK\$'000
Fees, salaries, allowances and other benefits	22,816	23,942
Discretionary bonus	1,400	—
Share-based payments	—	254
Contributions to retirement benefits scheme	428	527
	<u>24,644</u>	<u>24,723</u>
Analysed as:		
— corporate holding	360	614
— corporate finance advisory (Hong Kong)	22,715	22,080
— corporate finance advisory (Beijing)	989	1,097
— asset management	580	932
	<u>24,644</u>	<u>24,723</u>

Employee benefits costs amounted to approximately HK\$24.6 million and approximately HK\$24.7 million for the Period and the six months ended 30 September 2019, primarily due to the combined effects of (i) the increase in headcount during the Period; (ii) the absence of amortisation of share-based payments; (iii) the accrued bonus of approximately HK\$1.4 million as a result of the profit noted for the Period; and (iv) the recognition of the government grant of approximately HK\$1.7 million from the Employment Support Scheme under Anti-Epidemic Fund.

## Depreciation and Other Operating Expenses

The Group adopted HKFRS 16 and all non-cancellable operating leases, except for short-term leases and leases for low-value assets, entered by the Group are recorded as right-of-use assets whose costs will be depreciated over the lease terms. Therefore, the rental expenses are included as depreciation of right-of-use assets under HKFRS 16.

Other operating expenses were mainly rental expenses, recurring GEM listing expenses, travelling expenses, professional fees and other expenses, including utility expenses, building management fees, telecommunication expenses, information technology related expenses, data intelligence service subscription fees and insurance expenses.

	<b>For the six months ended</b>	
	<b>30 September</b>	
	<b>2020</b>	2019
	<b>HK\$'000</b>	<b>HK\$'000</b>
Depreciation of property and equipment	<b>518</b>	527
Depreciation of right-of-use assets	<b>5,066</b>	4,486
	<b>5,584</b>	5,013
Rental expenses and other premises expenses	<b>1,024</b>	1,564
Travelling expenses	<b>121</b>	286
Impairment loss recognised in respect of trade receivables	<b>452</b>	341
Recurring GEM listing expenses (excluding remuneration of independent non-executive directors)	<b>917</b>	1,463
Others	<b>2,540</b>	3,214
	<b>10,638</b>	11,881
Analysed as:		
— corporate holding	<b>1,395</b>	1,926
— corporate finance advisory (Hong Kong)	<b>8,184</b>	8,342
— corporate finance advisory (Beijing)	<b>607</b>	1,146
— asset management	<b>452</b>	467
	<b>10,638</b>	11,881

The Group's depreciation and other operating expenses decreased by approximately 10.9% to approximately HK\$10.6 million for the Period from approximately HK\$11.9 million for the six months ended 30 September 2019. The decrease was mainly due to the absence of one-off agency cost incurred for new hires and the general decrease in other operating expenses.

### **Profit (Loss) for the Period**

For the Period, the Group recorded a profit before tax of approximately HK\$6.6 million (2019: loss before tax of approximately HK\$1.6 million), and after-tax profit was approximately HK\$6.5 million (2019: loss after tax of approximately HK\$1.6 million). The profit was primarily due to (i) an increase in revenue; (ii) a net decrease in total operating expenses; and (iii) the unrealised fair value gain on the investment in CIAF.

## **Liquidity, Financial Resources and Capital Structure**

The Group's working capital and other capital requirements were principally satisfied by cash generated from the Group's operations.

The Group's equity consists of ordinary shares of the Company (the "Shares"). The Group had neither banking facilities nor borrowings as at 31 March 2020 and 30 September 2020.

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

## **Foreign Exchange Exposure**

The majority of the Group's revenue is denominated in Hong Kong dollars and the Group's accounts are prepared in Hong Kong dollars. Consequently, exposure to the risk of foreign exchange rate fluctuations for the Group is not material.

## **Future Plans for Material Investments or Capital Assets**

The Group had no capital commitments as at 30 September 2020 (31 March 2019: approximately HK\$0.3 million). Save for the business plan disclosed in the prospectus of the Company dated 15 March 2017 (the "Prospectus"), announcement of, among others, change in use of proceeds published on 22 June 2018 or as otherwise disclosed in this announcement, the Group did not have plans for making material investments or acquiring capital assets as at 30 September 2020.

## **Material Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures**

Save as disclosed in this announcement, there were no material acquisitions and disposals of subsidiaries, associates or joint ventures by the Group during the Period.

## **Significant Investments**

On 27 December 2019, the Group subscribed for and was allotted Class A shares of CIAF at a consideration of US\$2.8 million, equivalent to approximately HK\$21.8 million. The subscription was settled by the internal resources of the Group in December 2019. Details of the subscription were set out in the announcement dated 27 December 2019. Except for investments in subsidiaries and the subscription of shares in CIAF, the Group did not hold any significant investments during the Period (2019: nil).

As at 30 September 2020, the Group held 28,000 units of CIAF (31 March 2020: 28,000 units), representing 26.6% interest in CIAF (31 March 2020: 26.6%) and the fair value amounted to approximately HK\$23.3 million (31 March 2020: approximately HK\$17.7 million), representing approximately 19.6% of the Group's total assets (31 March 2020: approximately 14.7%). Unrealised fair value gain of approximately HK\$5.6 million was recognised for the Period and an unrealised fair value gain of approximately HK\$1.6 million was recognised since the inception.

The Group committed these funds as part of the launch capital for CIAF for its long term development. CIAF is an open-end fund with no fixed maturity. The timing of the launch was not ideal as CIAF invested the capital shortly before the January high of the Hong Kong stock market. The Group is confident that in the longer term this investment will yield a satisfactory return in itself and also serve its purpose in underpinning the development of CIAF.

## **Events After the Reporting Date**

Save as disclosed elsewhere in this announcement, the Group has no significant events subsequent to 30 September 2020 and up to the date of this announcement.

## **Charge on Assets & Contingent Liabilities**

As at 31 March 2020 and 30 September 2020, the Group did not have any charges on its assets or material contingent liabilities.

## **Gearing Ratio**

As at 31 March 2020 and 30 September 2020, the Group did not have any borrowings and hence gearing ratio was not applicable.

## **Dividend**

The board of Directors (the "Board") does not recommend the payment of any dividend for the Period (2019: nil).

## **Treasury Policies**

The credit risk facing the Group is primarily attributable to bank balances and trade receivables. Bank balances are held with leading licensed banks in Hong Kong. The management of the Group regularly reviews the recoverable amount of each individual trade receivable to monitor prompt recovery and if necessary to make adequate impairment losses for irrecoverable amounts.

## **Employees and Remuneration Policies**

The Group employed 51 employees as at 31 March 2020 and 30 September 2020.

For the Period, employee benefits costs of the Group (including the Directors' emoluments) were approximately HK\$24.6 million (2019: approximately HK\$24.7 million). Remuneration is determined with reference to market terms, the financial results of the Group and the performance, qualifications and experience of employees. Apart from basic remuneration, share options may be granted under the share option scheme of the Company to eligible employees by reference to the Group's performance as well as the individual's contribution. The Directors believe that the compensation packages offered by the Group to its staff are competitive in comparison with market standards and practices.

## **Update of Business Progress and Use of Proceeds**

Majority of the business objectives as stated in the Prospectus and the announcement of, among others, change in use of proceeds published on 22 June 2018 were accomplished as at 31 March 2019 except for the enhancement of the Group's information technology systems. As at 30 September 2020, the enhancement of the Group's information technology ("IT") infrastructure and the implementation of the business continuity plan are almost completed, but further upgrading and updating of IT is a continuing requirement.

The net proceeds from the Group's listing on GEM of the Stock Exchange on 28 March 2017 (the "Listing") were approximately HK\$55.9 million. The Group adjusted the use of net proceeds in the same manner as stated in the Prospectus and approximately HK\$27.7 million were utilised for the year ended 31 March 2018. On 22 June 2018, the Group announced the change in use of net proceeds of approximately HK\$28.2 million and approximately HK\$25.9 million were utilised for the year ended 31 March 2019.

As at 30 September 2020, the remaining proceeds of approximately HK\$2.3 million were unutilised and are expected to be utilised for further upgrading and updating IT in the second quarter of 2021.

As disclosed in the Prospectus, to the extent that the net proceeds from the Listing were not immediately required for the above purposes, they have been placed on short-term interest bearing deposits with authorised financial institutions in Hong Kong. In the event that any part of the business plans of the Group does not materialise or proceed as planned, the Directors will carefully evaluate the situation and may reallocate the intended funding to other business plans and/or to new projects of the Group and/or hold the funds as short-term interest bearing deposits so long as the Directors consider it to be in the best interests of the Company and the shareholders.

## INTERIM RESULTS

The Board is pleased to present the unaudited condensed consolidated results of the Group for the Period, together with the comparative unaudited figures for the corresponding period in 2019, as follows:

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

*For the six months ended 30 September 2020*

	<i>Notes</i>	Three months ended		Six months ended	
		30 September	2019	30 September	2019
		2020	2019	2020	2019
		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	6	<b>21,700</b>	19,222	<b>36,096</b>	34,668
Other income	7	<b>122</b>	491	<b>524</b>	962
		<b>21,822</b>	19,713	<b>36,620</b>	35,630
Employee benefits costs		<b>(12,250)</b>	(12,459)	<b>(24,644)</b>	(24,723)
Fair value gain on financial asset at fair value through profit or loss		<b>2,851</b>	—	<b>5,643</b>	—
Depreciation	12	<b>(2,795)</b>	(2,495)	<b>(5,584)</b>	(5,013)
Introduction expenses		<b>(249)</b>	(134)	<b>(249)</b>	(454)
Finance cost		<b>(72)</b>	(103)	<b>(158)</b>	(214)
Other operating expenses		<b>(2,559)</b>	(3,522)	<b>(5,054)</b>	(6,868)
Profit (loss) before tax	8	<b>6,748</b>	1,000	<b>6,574</b>	(1,642)
Income tax (expense) credit	9	<b>(138)</b>	39	<b>(104)</b>	50
Profit (loss) for the period		<b>6,610</b>	1,039	<b>6,470</b>	(1,592)

	<i>Note</i>	Three months ended 30 September		Six months ended 30 September	
		2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Unaudited)
Other comprehensive income (expense)					
Item that may be reclassified subsequently to profit or loss:					
Exchange difference arising on translation of foreign operations		<u>20</u>	<u>(4)</u>	<u>23</u>	<u>(9)</u>
Total comprehensive income (expense) for the period		<u><b>6,630</b></u>	<u>1,035</u>	<u><b>6,493</b></u>	<u>(1,601)</u>
Profit (loss) for the period attributable to:					
Owners of the Company		<u>6,703</u>	1,212	<u>6,671</u>	(1,267)
Non-controlling interests		<u>(93)</u>	<u>(173)</u>	<u>(201)</u>	<u>(325)</u>
		<u><b>6,610</b></u>	<u>1,039</u>	<u><b>6,470</b></u>	<u>(1,592)</u>
Total comprehensive income (expense) for the period attributable to:					
Owners of the Company		<u>6,723</u>	1,208	<u>6,694</u>	(1,276)
Non-controlling interests		<u>(93)</u>	<u>(173)</u>	<u>(201)</u>	<u>(325)</u>
		<u><b>6,630</b></u>	<u>1,035</u>	<u><b>6,493</b></u>	<u>(1,601)</u>
Earnings (loss) per share					
— basic (HK cents)	10	<u>4.73</u>	0.86	<u>4.71</u>	<u>(0.90)</u>
— diluted (HK cents)	10	<u>4.58</u>	0.86	<u>4.56</u>	<u>(0.90)</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 30 September 2020*

		As at 30 September 2020	As at 31 March 2020
	<i>Notes</i>	<b><i>HK\$'000</i></b> <b>(Unaudited)</b>	<b><i>HK\$'000</i></b> <b>(Audited)</b>
<b>Non-current assets</b>			
Property and equipment	<i>12</i>	<b>1,825</b>	2,249
Right-of-use assets	<i>12</i>	<b>8,835</b>	13,911
Goodwill		<b>1,123</b>	1,123
Intangible asset		<b>6,000</b>	6,000
Rental deposits	<i>13</i>	<b>362</b>	2,594
Deferred tax asset		<b>62</b>	47
		<hr/> <b>18,207</b>	<hr/> 25,924
<b>Current assets</b>			
Trade receivables	<i>13</i>	<b>8,354</b>	6,854
Prepayments, deposits and other receivables	<i>13</i>	<b>5,279</b>	1,820
Amount due from ultimate holding company		<b>426</b>	—
Financial asset at fair value through profit or loss	<i>14</i>	<b>23,311</b>	17,674
Tax recoverable		<b>603</b>	827
Cash and cash equivalents		<b>62,977</b>	67,235
		<hr/> <b>100,950</b>	<hr/> 94,410
<b>Current liabilities</b>			
Contract liability		<b>526</b>	334
Other payables and accruals		<b>2,940</b>	2,500
Lease liabilities	<i>12</i>	<b>7,514</b>	9,499
Provision for reinstatement cost		<b>2,300</b>	—
Tax payable		<b>—</b>	62
		<hr/> <b>13,280</b>	<hr/> 12,395
Net current assets		<hr/> <b>87,670</b>	<hr/> 82,015
Total assets less current liabilities		<hr/> <b>105,877</b>	<hr/> 107,939

		As at 30 September 2020 <i>HK\$'000</i> (Unaudited)	As at 31 March 2020 <i>HK\$'000</i> (Audited)
	<i>Note</i>		
Non-current liabilities			
Lease liabilities	12	974	3,721
Provision for long service payment		303	303
Provision for reinstatement cost		—	2,300
Deferred tax liabilities		997	1,102
		<u>2,274</u>	<u>7,426</u>
Net assets		<u><b>103,603</b></u>	<u>100,513</u>
Capital and reserves			
Share capital		1,418	1,413
Reserves		100,739	97,453
Equity attributable to owners of the Company		102,157	98,866
Non-controlling interests		1,446	1,647
Total equity		<u><b>103,603</b></u>	<u>100,513</u>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
*For the six months ended 30 September 2020*

	Attributable to the owners of the Company									
	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Retained earnings <i>HK\$'000</i>	Shareholder contribution reserve <i>HK\$'000</i>	Share option reserve <i>HK\$'000</i>	Translation reserve <i>HK\$'000</i>	Other reserve (note) <i>HK\$'000</i>	Total <i>HK\$'000</i>	Non-controlling interests <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2020 (Audited)	1,413	57,975	23,132	4,179	2,307	(40)	9,900	98,866	1,647	100,513
Profit (loss) for the period	—	—	6,671	—	—	—	—	6,671	(201)	6,470
Other comprehensive income:										
Exchange differences arising from translation of foreign operation	—	—	—	—	—	23	—	23	—	23
Total comprehensive income (expense) for the period	—	—	6,671	—	—	23	—	6,694	(201)	6,493
Dividends recognised as distribution ( <i>note 11</i> )	—	(3,546)	—	—	—	—	—	(3,546)	—	(3,546)
Issue of shares upon exercise of share options	5	319	—	—	(181)	—	—	143	—	143
At 30 September 2020 (Unaudited)	<u>1,418</u>	<u>54,748</u>	<u>29,803</u>	<u>4,179</u>	<u>2,126</u>	<u>(17)</u>	<u>9,900</u>	<u>102,157</u>	<u>1,446</u>	<u>103,603</u>
At 1 April 2019 (Audited)	1,410	64,847	28,948	4,179	2,029	4	9,900	111,317	3,020	114,337
Loss for the period	—	—	(1,267)	—	—	—	—	(1,267)	(325)	(1,592)
Other comprehensive expense:										
Exchange differences arising from translation of foreign operation	—	—	—	—	—	(9)	—	(9)	—	(9)
Total comprehensive expense for the period	—	—	(1,267)	—	—	(9)	—	(1,276)	(325)	(1,601)
Dividends recognised as distribution ( <i>note 11</i> )	—	(7,064)	—	—	—	—	—	(7,064)	—	(7,064)
Issue of shares upon exercise of share options	3	173	—	—	(92)	—	—	84	—	84
Recognition of equity-settled share-based payments	—	—	—	—	254	—	—	254	—	254
At 30 September 2019 (Unaudited)	<u>1,413</u>	<u>57,956</u>	<u>27,681</u>	<u>4,179</u>	<u>2,191</u>	<u>(5)</u>	<u>9,900</u>	<u>103,315</u>	<u>2,695</u>	<u>106,010</u>

*Note:* Other reserve represented the difference between the nominal amount of the share capital of Somerley Capital Limited and the nominal amount of the share capital issued by the Company pursuant to a group reorganisation.

## **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

*For the six months ended 30 September 2020*

### **1. GENERAL**

The Company was incorporated on 21 April 2016 in the Cayman Islands as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and the shares of the Company are listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Its parent is Somerley Group Limited (“SGL”), a company incorporated in Hong Kong with limited liabilities. The addresses of the registered office and the principal place of business of the Company are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and 20th Floor, China Building, 29 Queen’s Road Central, Central, Hong Kong, respectively.

The Company is principally engaged in investment holding. The Group’s operating subsidiaries are mainly engaged in the provision of corporate finance advisory services and asset management services.

These condensed consolidated financial statements are 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 except when otherwise indicated.

### **2. BASIS OF PREPARATION**

The condensed consolidated financial statements of Somerley Capital Holdings Limited and its subsidiaries (collectively, the Group) for the period have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure provisions of Chapter 18 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”).

### **3. CHANGE IN ACCOUNTING POLICIES**

The accounting policies used for the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2020, except as described below:

During the Period, the Group has applied, for the first time, the Amendments to References to the Conceptual Framework in Hong Kong Financial Reporting Standards ("HKFRSs") and the following amendments to HKFRSs issued by the HKICPA which are effective for the Group's financial year beginning on 1 April 2020:

Amendments to HKFRS 3	Definition of a Business
Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

The application of the Amendments to References to the Conceptual Framework in HKFRS and the amendments to HKFRSs in the Period has had no material impact on the Group's financial performance and position for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

### **4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of unaudited condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this unaudited condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2020.

## 5. SEGMENT INFORMATION

Information reported to the management of the Group, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of services provided. The directors of the Company have chosen to organise the Group around differences in services.

Specifically, the Group's reportable segments are as follows:

1. Corporate finance advisory service
2. Asset management service

The following is an analysis of the Group's revenue and results by reportable and operating segments.

	For the six months ended 30 September 2020			For the six months ended 30 September 2019		
	Corporate finance advisory service <i>HK\$'000</i>	Asset management service <i>HK\$'000</i>	Total <i>HK\$'000</i>	Corporate finance advisory service <i>HK\$'000</i>	Asset management service <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue	<u>35,848</u>	<u>248</u>	<u>36,096</u>	<u>34,562</u>	<u>106</u>	<u>34,668</u>
Segment profit (loss)	3,049	(794)	2,255	1,283	(1,290)	(7)
Fair value gain on financial assets at fair value through profit or loss			5,643			—
Corporate and other unallocated expenses, net			<u>(1,324)</u>			<u>(1,635)</u>
Profit (loss) before tax			<u>6,574</u>			<u>(1,642)</u>

Segment profit (loss) represents the profit earned (loss resulted) from each segment without allocation of fair value gain on financial assets at fair value through profit or loss and central administration costs. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

## Segment assets and liabilities

	As at 30 September 2020			As at 31 March 2020		
	Corporate finance advisory service <i>HK\$'000</i>	Asset management service <i>HK\$'000</i>	Total <i>HK\$'000</i>	Corporate finance advisory service <i>HK\$'000</i>	Asset management service <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets	61,062	8,479	69,541	62,520	9,548	72,068
Elimination of intersegment receivables			(66)			(66)
Corporate and other unallocated assets			<u>49,682</u>			<u>48,332</u>
Total assets			<u><u>119,157</u></u>			<u><u>120,334</u></u>
Segment liabilities	12,867	1,617	14,484	15,630	1,892	17,522
Elimination of intersegment liabilities			(2,130)			(1,280)
Corporate and other unallocated liabilities			<u>3,200</u>			<u>3,579</u>
Total liabilities			<u><u>15,554</u></u>			<u><u>19,821</u></u>

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than certain of property and equipment, certain of right-of-use assets, financial asset at fair value through profit or loss, cash and cash equivalents, prepayments, deposits and other receivables; and
- all liabilities are allocated to operating segments other than provision for reinstatement cost, certain of lease liabilities, other payables and accruals and tax payable.

## Other segment information

*For the six months ended 30 September 2020*

	Corporate finance advisory service <i>HK\$'000</i>	Asset management service <i>HK\$'000</i>	Corporate <i>HK\$'000</i>	Total <i>HK\$'000</i>
Amounts included in the measure of segment profit or loss or segment assets:				
Additions to property and equipment	92	—	—	92
Depreciation of property and equipment	417	—	101	518
Depreciation of right-of- use assets	4,540	221	305	5,066
Impairment loss recognised in respect of trade receivables	<u>452</u>	<u>—</u>	<u>—</u>	<u>452</u>

*For the six months ended 30 September 2019*

	Corporate finance advisory service <i>HK\$'000</i>	Asset management service <i>HK\$'000</i>	Corporate <i>HK\$'000</i>	Total <i>HK\$'000</i>
Amounts included in the measure of segment profit or loss or segment assets:				
Additions to property and equipment	279	—	—	279
Depreciation of property and equipment	426	—	101	527
Depreciation of right-of-use assets	4,182	—	304	4,486
Impairment loss recognised in respect of trade receivables	<u>341</u>	<u>—</u>	<u>—</u>	<u>341</u>

## Geographical information

No geographical segment analysis on revenue and assets is provided as substantially all of the Group's revenue are derived from Hong Kong and non-current assets are located in Hong Kong.

## Information about major customers

No customer accounted for 10% or more of the Group's revenue for the six months ended 30 September 2020 and 2019.

## 6. REVENUE

An analysis of the Group's revenue for the periods is as follows:

	Six months ended 30 September	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Corporate finance advisory fee income		
— from acting as financial adviser	9,462	6,631
— from acting as independent financial adviser	18,518	15,265
— from acting as compliance adviser	7,868	8,352
— from acting as sponsor and underwriter	—	4,314
	<u>35,848</u>	<u>34,562</u>
Asset management fee income	248	106
	<u>36,096</u>	<u>34,668</u>

## 7. OTHER INCOME

	Six months ended 30 September	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Bank interest income	98	576
Management fee income from ultimate holding company	78	39
Office sharing income and recharge of other premises expenses from ultimate holding company	348	347
	<u>524</u>	<u>962</u>

## 8. PROFIT (LOSS) BEFORE TAX

	Six months ended 30 September	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Profit (loss) for the period has been arrived at after charging (crediting):		
Directors' emoluments:		
Fees	360	360
Other emoluments	5,148	5,148
Share-based payments	—	107
Contributions to retirement benefits scheme	18	18
	<u>5,526</u>	<u>5,633</u>
Other staff costs ( <i>note</i> )	18,708	18,463
Reversal of provision for long service payment	—	(29)
Share-based payments	—	147
Contributions to retirement benefits schemes	410	509
	<u>24,644</u>	<u>24,723</u>
Total employee benefits costs		
Auditor's remuneration	323	260
Exchange loss, net	8	34
Depreciation for property and equipment	518	527
Depreciation for right-of-use assets	5,066	4,486
Impairment loss recognised in respect of trade receivables	452	341
	<u>452</u>	<u>341</u>

*Note:* Wage subsidies of HK\$1,724,000 granted from the Employment Support Scheme under Anti-Epidemic Fund for the use of paying wages of employees have been recognised during the Period. The amounts had been offset with the employee benefits costs.

## 9. INCOME TAX EXPENSE (CREDIT)

	Six months ended 30 September	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Current tax:		
Hong Kong	224	41
Deferred taxation	<u>(120)</u>	<u>(91)</u>
	<u>104</u>	<u>(50)</u>

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “Bill”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying corporation will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. For the six months ended 30 September 2020 and 2019, Hong Kong profits tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. The profits of other group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%.

Under the Law of the People’s Republic of China (“PRC”) on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25%.

## 10. EARNINGS (LOSS) PER SHARE

The calculation of the basic and diluted earnings (loss) per share attributable to the owners of the Company are based on the following data:

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2020</b>	<b>2019</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Earnings (loss)</b>		
Profit (loss) attributable to ordinary equity holders of the Company, used in the basic earnings (loss) per share calculation	<u>6,671</u>	<u>(1,267)</u>
	<b>Number of shares</b>	
	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2020</b>	<b>2019</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Shares</b>		
Weighted average number of ordinary shares in issue during the period used in the basic earnings (loss) per share calculation ('000)	<b>141,608</b>	141,048
Effect of dilutive potential ordinary shares — share options ('000)	<u>4,642</u>	<u>—</u>
Weighted average number of ordinary shares in issue during the period, used in the diluted earnings (loss) per share calculation ('000) (note)	<u>146,250</u>	<u>141,048</u>

*Note:*

For the six months ended 30 September 2019, the computation of diluted loss per share does not assume the exercise of the Company's outstanding options to subscribe for additional share since their exercise would result in an anti-dilutive effect on the basic loss per share.

## **11. DIVIDENDS**

In accordance with the laws of the Cayman Islands and the Company's articles of association, the Company's share premium account is distributable to the shareholders provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

A final dividend of 2.5 cents per share in respect of the year ended 31 March 2020 (2019: 5.0 cents per share), amounting to approximately HK\$3,546,000 (2019: HK\$7,064,000), was paid on 24 September 2020 to the shareholders of the Company whose names appear on the Company's register of members on 14 September 2020.

The Directors do not recommend the payment of interim dividend for the Period (30 September 2019: nil).

## **12. PROPERTY AND EQUIPMENT, RIGHT-OF-USE ASSETS AND LEASE LIABILITIES**

### **(i) Property and equipment and right-of-use assets**

During the Period, the Group had addition of furniture and fixtures of approximately HK\$92,000 (2019: HK\$279,000).

As at 30 September 2020, the carrying amounts of property and equipment and right-of-use assets were approximately HK\$1,825,000 (31 March 2020: HK\$2,249,000) and HK\$8,835,000 (31 March 2020: HK\$13,911,000) respectively.

The Group's depreciation during the period amounted to approximately HK\$518,000 (2019: HK\$527,000) and HK\$5,066,000 (2019: HK\$4,486,000) in respect of property and equipment and right-of-use assets respectively.

### **(ii) Lease liabilities**

As at 30 September 2020, the carrying amount of lease liabilities were approximately \$8,488,000 (31 March 2020: HK\$13,220,000).

(iii) Amounts recognised in profit or loss

	Six months ended	
	30 September	
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Depreciation on right-of-use assets	5,066	4,486
Finance cost on lease liabilities	158	214
Expense relating to short-term leases	—	591
	<u>5,224</u>	<u>5,291</u>

(iv) Other

During the Period, the total cash outflow for leases amounted to approximately HK\$4,890,000 (2019: HK\$4,859,000).

13. TRADE RECEIVABLES AND PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at	As at
	30 September	31 March
	2020	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Trade receivables from		
— Corporate finance advisory service ( <i>note i</i> )	8,908	7,067
— Asset management service ( <i>note ii</i> )	46	35
	<u>8,954</u>	<u>7,102</u>
Less: Impairment allowance on trade receivables from corporate finance advisory service ( <i>note i</i> )	<u>(600)</u>	<u>(248)</u>
	<u>8,354</u>	<u>6,854</u>

At as 30 September 2020, the gross amount of trade receivable arising from contracts with customers amounted to approximately HK\$8,954,000 (31 March 2020: HK\$7,102,000).

	<b>As at 30 September 2020 HK\$'000 (Unaudited)</b>	As at 31 March 2020 HK\$'000 (Audited)
Prepayments, deposits and other receivables		
Analysed as:		
— non-current (rental deposits)	<b>362</b>	2,594
— current	<b>5,279</b>	1,820
	<b>5,641</b>	4,414

**Note i: Trade receivables — Corporate finance advisory service**

The trade receivables are, in general, due upon the issuance of invoices. The Group does not hold any collateral over these balances. The following is an ageing analysis of trade receivables net of allowance for impairment of trade receivables presented based on the invoice date.

	<b>As at 30 September 2020 HK\$'000 (Unaudited)</b>	As at 31 March 2020 HK\$'000 (Audited)
Within 90 days	<b>7,529</b>	6,121
91–180 days	<b>763</b>	590
Over 180 days	<b>16</b>	108
Total	<b>8,308</b>	6,819

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses. The expected credit losses on trade receivables are estimated individually or collectively using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The movement in the allowance for impairment of trade receivables is set out below:

	<b>For the six months ended 30 September 2020 HK\$'000 (Unaudited)</b>	For the year ended 31 March 2020 HK\$'000 (Audited)
At the beginning of the period/year	248	112
Impairment losses recognised on trade receivables	452	536
Amount written-off as uncollectible	<u>(100)</u>	<u>(400)</u>
At the end of the period/year	<u><u>600</u></u>	<u><u>248</u></u>

During the Period, trade receivables amounted to approximately HK\$100,000 (for the year ended 31 March 2020: HK\$400,000) were written off. The Group writes off trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

**Note ii: Trade receivables — Asset management service**

Trade receivables related to one independent customer. No impairment loss allowance has been provided for trade receivables as the related allowances were considered immaterial and there was no credit default history. The trade receivables are aged within 90 days based on the invoice date.

**14. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<b>As at 30 September 2020 HK\$'000 (Unaudited)</b>	As at 31 March 2020 HK\$'000 (Audited)
Financial asset at fair value through profit or loss		
— Unlisted investment fund	<u><u>23,311</u></u>	<u><u>17,674</u></u>

## **CORPORATE GOVERNANCE AND OTHER INFORMATION**

### **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Board is committed to achieving good corporate governance practices and procedures. The Directors believe that good corporate governance practices are essential to enhance stakeholders' confidence and support. During the Period, the Company has complied with the code provisions prescribed in the establishment and implementation of the corporate governance guidelines containing principles and code provisions of the Corporate Governance Code and Corporate Governance Report (the "CG Code") as set out in Appendix 15 to the GEM Listing Rules except as regards the following:

According to the code provision A.2.1 of the CG Code, the roles of the chairman and the chief executive of the Company should be separate and should not be performed by the same individual. During the Period, the role of the chairman of the Company (the "Chairman") was performed by Mr. SABINE Martin Nevil ("Mr. Sabine"). The office of the chief executive of the Company was not filled; Mr. CHOW Wai Hung Kenneth performed the role of managing director of the Company's operating subsidiary in Hong Kong, Somerley Capital Limited, and the chairman of the Company's operating subsidiary in China, Somerley Capital (Beijing) Limited; Mr. CHEUNG Tei Sing Jamie ("Mr. Cheung") performed the role of vice president of Somerley Capital Limited, and the Director of the Company's another operating subsidiary in Hong Kong, EISAL. Within the Company, decisions are made collectively by the executive Directors and are discussed with senior management from time to time. The Board believes that this arrangement enables the Company to make decisions and implement follow up actions quickly and helps achieve the Company's objectives efficiently and effectively in response to the changing environment. The Board also believes that the Company has a strong corporate governance structure in place to ensure effective oversight of management. The Board will review the current structure of the Board from time to time.

### **COMPETING INTERESTS**

The Directors are not aware that any of the Directors, the controlling shareholders of the Company and their respective close associates (as defined in the GEM Listing Rules) competes or may compete with the business of the Group and has or may have any other conflict of interest with the Group during the Period.

### **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed Shares during the Period.

## **AUDIT COMMITTEE**

The Company has established an audit committee (the “Audit Committee”) with specific written terms of reference formulated in accordance with the requirements of rules 5.28 to 5.29 of the GEM Listing Rules. The Audit Committee currently consists of all the three independent non-executive Directors, namely Mr. CHENG Yuk Wo, Mr. YUEN Kam Tim Francis and Mr. LAW Cheuk Kin Stephen. Mr. CHENG Yuk Wo is the chairman of the Audit Committee. The primary duties of the Audit Committee are reviewing the annual reports and accounts, half-year reports and quarterly reports of the Group, making recommendations to the Board on the appointment and dismissal of external auditors, providing advice in respect of financial reporting, supervising risk management and internal control systems of the Group, reviewing the effectiveness of the internal audit function and monitoring any continuing connected transactions.

The Company has engaged the external auditor of the Company, SHINEWING (HK) CPA Limited (“Shinewing”), to review the Group’s unaudited condensed consolidated financial statements for the Period. Based on Shinewing’s review, nothing has come to Shinewing’s attention that causes Shinewing to believe that the unaudited condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

The Audit Committee has reviewed the unaudited consolidated results of the Group for the Period with the management and is of the view that such results comply with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

## **CHANGE OF DIRECTORS INFORMATION**

Mr. LAW Cheuk Kin Stephen was appointed as an independent non-executive director of China Galaxy Securities Co., Ltd. (stock code: 6881) on 29 June 2020.

## **PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT**

This results announcement is published on the websites of the Stock Exchange ([www.hkgem.com](http://www.hkgem.com)) and the Company ([www.somerleycapital.com](http://www.somerleycapital.com)). The interim report of the Company for the six months ended 30 September 2020 containing all the information required by the GEM Listing Rules will be dispatched to the Company's shareholders and published on the above websites in due course.

By order of the Board  
**Somerley Capital Holdings Limited**  
**SABINE Martin Nevil**  
*Chairman*

Hong Kong, 6 November 2020

*As at the date of this announcement, the executive Directors are Mr. SABINE Martin Nevil, Mr. CHEUNG Tei Sing Jamie and Mr. CHOW Wai Hung Kenneth; the independent non-executive Directors are Mr. CHENG Yuk Wo, Mr. YUEN Kam Tim Francis and Mr. LAW Cheuk Kin Stephen.*

*This announcement will remain on the "Latest Listed Company Information" page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its posting and will also be published on the Company's website at [www.somerleycapital.com](http://www.somerleycapital.com).*