



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)

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30 JUNE 2023

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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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.

FIRST QUARTERLY FINANCIAL HIGHLIGHTS

- The Group's total revenue increased by approximately 9.7% to approximately HK\$14.7 million for the three months ended 30 June 2023 (the "Period") from approximately HK\$13.4 million for the three months ended 30 June 2022.
- Revenue generated from acting as financial adviser ("FA") and as independent financial adviser ("IFA") for the Period amounted to approximately HK\$8.7 million (2022: approximately HK\$7.2 million), accounting for approximately 59.2% of the Group's total revenue (2022: approximately 53.7%).
- Revenue generated from acting as compliance adviser ("CA") for the Period amounted to approximately HK\$6.0 million (2022: approximately HK\$6.0 million), accounting for approximately 40.8% of the Group's total revenue (2022: approximately 44.8%).
- For the Period, the Group recorded a loss before tax of approximately HK\$1.7 million (2022: approximately HK\$3.7 million), and after-tax loss was approximately HK\$1.7 million (2022: approximately HK\$3.7 million). The improvement was attributed to an approximately HK\$1.3 million increase in revenue, an approximately HK\$0.7 million net increase in investment income and an approximately HK\$0.6 million net increase in other income and gain, partially offset by an approximately HK\$0.7 million increase in employee benefits costs.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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, through its subsidiaries, is principally engaged in providing corporate finance advisory services.

The corporate finance advisory business carried on by Somerley Capital Limited 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, for newly listed and existing 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 cross-border mergers and acquisitions.

The level of the Group’s corporate finance activity has picked up in the first quarter of the new financial year ending 31 March 2024, matching the level of year-on-year improvement seen in the second half of last financial year. For the Period, the Group reported an approximately 9.7% increase in revenue compared to the last corresponding period. However, the market environment for Hong Kong corporate finance has remained challenging. A reduced level of IPOs will decrease future opportunities for compliance adviser appointments. Lower stock market turnover tends to affect confidence and price competition remains severe. Consequently, despite the improvement, the Group incurred an after-tax loss, at the level of approximately HK\$1.7 million (2022: approximately HK\$3.7 million). The improvement over 2022 was due to an approximately HK\$1.3 million increase in revenue, an approximately HK\$0.7 million net increase in investment income and an approximately HK\$0.6 million net increase in other income and gain, partially offset by an approximately HK\$0.7 million increase in employee benefits costs.

The corporate finance advisory business segment recorded revenue of approximately HK\$14.7 million (2022: approximately HK\$13.4 million) and a segment loss before tax of approximately HK\$1.2 million (2022: approximately HK\$2.3 million) for the Period. A segment loss before tax of approximately HK\$0.3 million (2022: approximately HK\$0.3 million) was incurred by the Group’s asset management business segment for the Period.

PROSPECTS

The improvement in results is welcome but not enough yet to restore the Group to consistent profitability. Looking ahead, the Group's pipeline of deals is reasonably healthy and the Group is cautiously confident of further gradual improvement in the current market situation. Nonetheless, the general economic environment for the Group's Hong Kong corporate finance advisory business remains uncertain due to a caution among clients to committing to new projects amid continuing high interest rates. Accordingly, the Group expects business to be challenging in the financial year ending 31 March 2024. The Group will actively promote its core business while continuously exploring new business opportunities and adopting a prudent approach to controlling costs.

FINANCIAL REVIEW

Revenue

The Group's total revenue increased by approximately 9.7% to approximately HK\$14.7 million for the Period from approximately HK\$13.4 million for the three months ended 30 June 2022.

Revenue generated from acting as FA and as IFA for the Period amounted to approximately HK\$8.7 million (2022: approximately HK\$7.2 million), accounting for approximately 59.2% of the Group's total revenue (2022: approximately 53.7%). The increase was mainly due to the hard and creative work of the Group's teams in helping clients to bring ongoing transactions to completion.

Revenue generated from acting as CA for the Period amounted to approximately HK\$6.0 million (2022: approximately HK\$6.0 million), accounting for approximately 40.8% of the Group's total revenue (2022: approximately 44.8%). CA activities continue to provide a stable source of income to the Group, complementing the more fluctuating corporate finance advisory income. The Group's teams have worked hard to demonstrate to clients the added value the Group can provide to them through its CA roles.

Investment Income (Loss), Net

Investment income (loss), net represents interest income, dividend income, and trading gain (loss) in respect of the Group's proprietary trading under its liquidity management.

For the three months ended 30 June	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Investment income (loss), net		
Interest income	364	31
Dividends from financial assets at fair value through profit or loss	—	89
Fair value gain (loss) of financial assets at fair value through profit or loss	30	(387)
	<u>394</u>	<u>(267)</u>

Other Income and Gain (Loss), Net

Other income and gain (loss), net mainly represented management service fee income from Somerley Group Limited (“SGL”), office sharing income and reimbursement of other premise expenses from SGL and net exchange difference.

Three months ended 30 June	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Other income and gain (loss), net		
Management fee income from ultimate holding company	45	45
Office sharing income and reimbursement of other premises expenses from ultimate holding company	193	193
Exchange loss, net	(54)	(651)
	<u>184</u>	<u>(413)</u>

Employee Benefits Costs

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

For the three months ended 30 June	2023	2022
	HK\$'000	HK\$'000
Fees, salaries, allowances and other benefits	12,278	11,661
Contributions to the retirement benefits scheme	280	276
	<u>12,558</u>	<u>11,937</u>

Employee benefits costs increased by approximately 5.9% to approximately HK\$12.6 million from approximately HK\$11.9 million for the three months ended 30 June 2022. The increase was mainly due to the absence of the government grant of approximately HK\$0.7 million from the Employment Support Scheme granted for the three months ended 30 June 2022.

Depreciation Expenses and Other Operating Expenses

For the three months ended 30 June	2023	2022
	HK\$'000	HK\$'000
Depreciation expenses of property and equipment	195	229
Depreciation expenses of right-of-use assets	1,787	1,798
	1,982	2,027
Other premises expenses	470	491
Recurring GEM listing expenses (excluding remuneration of independent non-executive directors)	379	415
Others	1,373	1,346
	<u>4,204</u>	<u>4,279</u>

The Group adopted HKFRS 16 under which 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 expenses of right-of-use assets under HKFRS 16.

Other operating expenses were mainly 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.

The Group's depreciation expenses and other operating expenses remained at similar level for the Period and three months ended 30 June 2022.

Loss for the Period

For the Period, the Group recorded a loss before tax of approximately HK\$1.7 million (2022: approximately HK\$3.7 million), and after-tax loss was approximately HK\$1.7 million (2022: approximately HK\$3.7 million). The improvement was attributed to an approximately HK\$1.3 million increase in revenue, an approximately HK\$0.7 million net increase in investment income and an approximately HK\$0.6 million net increase in other income and gain, partially offset by an approximately HK\$0.7 million increase in employee benefits costs.

Future Plans for Material Investments or Capital Assets

The Group had no material capital commitment as at 30 June 2023 (31 March 2023: nil). Save for the business plan disclosed in the prospectus of the Company dated 15 March 2017 (the "Prospectus"), the 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 capital assets as at 30 June 2023 and up to the date of this announcement.

Material Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures

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

Interim Dividend

The board of Directors (the "Board") does not recommend the payment of interim dividend for the Period (2022: nil).

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

For the three months ended 30 June 2023

The Board presents the unaudited condensed consolidated results of the Group for the Period, together with the unaudited comparative figures for the three months ended 30 June 2022, as follows:

Three months ended 30 June	<i>Notes</i>	2023 <i>HK\$'000</i> (unaudited)	2022 <i>HK\$'000</i> (unaudited)
Revenue	3	14,731	13,414
Investment income (loss), net	4	394	(267)
Other income and gain (loss), net	4	184	(413)
Employee benefits costs		(12,558)	(11,937)
Depreciation		(1,982)	(2,027)
Finance cost on lease liabilities		(95)	(87)
Impairment loss recognised in respect of trade receivables		(130)	(179)
Other operating expenses		(2,222)	(2,252)
Loss before tax	5	(1,678)	(3,748)
Income tax (expense) credit	6	(3)	49
Loss for the period		(1,681)	(3,699)
Other comprehensive loss			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of financial statements of foreign operations		(18)	(24)
Total comprehensive loss for the period		(1,699)	(3,723)

Three months ended 30 June	<i>Note</i>	2023 HK\$'000 (unaudited)	2022 <i>HK\$'000</i> (unaudited)
Loss for the period attributable to:			
Owners of the Company		(1,657)	(3,672)
Non-controlling interests		<u>(24)</u>	<u>(27)</u>
		<u>(1,681)</u>	<u>(3,699)</u>
 Total comprehensive loss for the period attributable to:			
Owners of the Company		(1,675)	(3,696)
Non-controlling interests		<u>(24)</u>	<u>(27)</u>
		<u>(1,699)</u>	<u>(3,723)</u>
 Loss per share — basic and diluted (HK cents)	 <i>8</i>	 <u>(1.16)</u>	 <u>(2.58)</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the three months ended 30 June 2023

	Attributable to the owners of the Company								Total	Non-controlling interests	Total
	Share capital	Share premium	Treasury shares	Retained earnings	Shareholder contribution reserve	Share option reserve	Translation reserve	Other reserve (Note)			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2022 (audited)	1,424	49,639	—	28,014	4,179	1,946	55	9,900	95,157	257	95,414
Loss for the period	—	—	—	(3,672)	—	—	—	—	(3,672)	(27)	(3,699)
Other comprehensive loss											
Exchange differences arising from translation of foreign operation	—	—	—	—	—	—	(24)	—	(24)	—	(24)
Total comprehensive loss for the period	—	—	—	(3,672)	—	—	(24)	—	(3,696)	(27)	(3,723)
At 30 June 2022 (unaudited)	<u>1,424</u>	<u>49,639</u>	<u>—</u>	<u>24,342</u>	<u>4,179</u>	<u>1,946</u>	<u>31</u>	<u>9,900</u>	<u>91,461</u>	<u>230</u>	<u>91,691</u>
At 1 April 2023 (audited)	1,434	46,633	(73)	21,193	4,179	1,555	19	9,900	84,840	125	84,965
Loss for the period	—	—	—	(1,657)	—	—	—	—	(1,657)	(24)	(1,681)
Other comprehensive loss											
Exchange differences arising from translation of foreign operation	—	—	—	—	—	—	(18)	—	(18)	—	(18)
Total comprehensive loss for the period	—	—	—	(1,657)	—	—	(18)	—	(1,675)	(24)	(1,699)
Change in ownership interest in a subsidiary that does not result in change of control	—	—	—	(19)	—	—	—	—	(19)	19	—
Repurchase and cancellation of ordinary shares	(1)	(74)	43	—	—	—	—	—	(32)	—	(32)
At 30 June 2023 (unaudited)	<u>1,433</u>	<u>46,559</u>	<u>(30)</u>	<u>19,517</u>	<u>4,179</u>	<u>1,555</u>	<u>1</u>	<u>9,900</u>	<u>83,114</u>	<u>120</u>	<u>83,234</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 undergone for the initial public offering of the shares of the Company.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2023

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. Its parent and ultimate holding company is SGL, a company incorporated in Hong Kong with limited liability. 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.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars ("HK\$") which is 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 unaudited condensed consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (hereinafter collectively referred to as the "HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), the disclosure requirements of the Hong Kong Companies Ordinance and the GEM Listing Rules. The unaudited condensed consolidated financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The principal accounting policies used in the unaudited condensed consolidated financial statements for the three months ended 30 June 2023 are the same as those followed in the preparation of the Group's annual report for the year ended 31 March 2023, except for the new and revised HKFRSs issued by the HKICPA that are adopted for the first time for the current accounting period of the Group.

Except for the new and amendments to HKFRSs mentioned below, the adoption of all other new and amendments to HKFRSs has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

Amendments to HKAS 12 narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of HKAS 12 "Income Taxes" so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

For leasing transactions in which the tax deductions are attributable to the lease liabilities and for transactions in which provisions for reinstatement are recognised with the corresponding amounts recognised as part of the cost of the related assets, the Group applies HKAS 12 requirements to the relevant assets and liabilities separately. Temporary differences on initial recognition of the relevant assets and liabilities are not recognised due to application of the initial recognition exemption. Upon the application of the amendments, the Group will recognise a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with the right-of-use assets and the lease liabilities.

3. REVENUE

Three months ended 30 June	2023 <i>HK\$'000</i> (unaudited)	2022 <i>HK\$'000</i> (unaudited)
Corporate finance advisory fee income		
— from acting as financial adviser	3,705	2,521
— from acting as independent financial adviser	4,984	4,642
— from acting as compliance adviser	6,042	5,977
— others	—	274
	<u>14,731</u>	<u>13,414</u>

4. INVESTMENT INCOME (LOSS), NET AND OTHER INCOME AND GAIN (LOSS), NET

Three months ended 30 June	2023 <i>HK\$'000</i> (unaudited)	2022 <i>HK\$'000</i> (unaudited)
Investment income (loss), net		
Interest income	364	31
Dividends from financial assets at fair value through profit or loss	—	89
Fair value gain (loss) of financial assets at fair value through profit or loss	30	(387)
	<u>394</u>	<u>(267)</u>
Three months ended 30 June	2023 <i>HK\$'000</i> (unaudited)	2022 <i>HK\$'000</i> (unaudited)
Other income and gain (loss), net		
Management fee income from ultimate holding company	45	45
Office sharing income and reimbursement of other premises expenses from ultimate holding company	193	193
Exchange loss, net	(54)	(651)
	<u>184</u>	<u>(413)</u>

5. LOSS BEFORE TAX

Three months ended 30 June	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Loss for the period has been arrived at after charging:		
Directors' emoluments		
Fees	180	180
Other emoluments	2,574	2,574
Contributions to retirement benefits scheme	9	9
	<u>2,763</u>	<u>2,763</u>
Other staff costs (note)	9,524	8,907
Contributions to retirement benefits scheme	271	267
	<u>12,558</u>	<u>11,937</u>
Total employee benefits costs		
Auditor's remuneration	94	85
Depreciation for property and equipment	195	229
Depreciation for right-of-use assets	1,787	1,798
Impairment loss recognised in respect of trade receivables	130	179
	<u>130</u>	<u>179</u>

Note: Wage subsidies of approximately HK\$672,000 granted from the Employment Support Scheme under the Anti-Epidemic Fund for the use of paying wages of employees have been recognised during the three months ended 30 June 2022. The amounts have been offset against the employee benefits costs.

6. INCOME TAX EXPENSE (CREDIT)

Three months ended 30 June	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Current income tax:		
Hong Kong	30	17
Over provision in prior years:		
People's Republic of China	—	(4)
Deferred taxation	(27)	(62)
	<u>3</u>	<u>(49)</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 three months ended 30 June 2023 and 2022, 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%.

7. DIVIDENDS

The Board does not recommend the payment of interim dividend for the Period (2022: nil).

8. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

Three months ended 30 June	2023 <i>HK\$’000</i> (unaudited)	2022 <i>HK\$’000</i> (unaudited)
Loss		
Loss attributable to owners of the Company, used in the basic and diluted loss per share calculation	<u>(1,657)</u>	<u>(3,672)</u>
Number of shares	2023 (unaudited)	2022 (unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period, used in the basic and diluted loss per share calculation ('000)	<u>143,310</u>	<u>142,355</u>

Note: Diluted loss per share is same as basic loss per share. The computation of diluted loss per share does not assume the exercise of the Company’s share options since their exercise would result in a decrease in loss per share.

CORPORATE GOVERNANCE AND OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

The Company repurchased a total of 40,000 ordinary shares of the Company (the "Shares") on the Stock Exchange at an aggregate consideration of HK\$31,500 during the Period (2022: nil) at price ranging from HK\$0.73 to HK\$0.89. The repurchase of the Company's shares by the Directors during the Period was made pursuant to the mandate granted by shareholders at the last annual general meeting of the Company held on 23 August 2022, with a view to benefiting shareholders as a whole by enhancing the net asset value per share and earnings per share of the Company. The share repurchase was financed by the Company with its existing available cash. The particulars of the share repurchase are as follows:

Date	Number of shares repurchased	Highest purchase price per share (HK\$)	Lowest purchase price per share (HK\$)	Aggregated amount of purchase price (HK\$)
14 April 2023	2,000	0.89	0.89	1,780
29 June 2023	26,000	0.86	0.79	20,720
30 June 2023	<u>12,000</u>	0.85	0.73	<u>9,000</u>
Total	<u><u>40,000</u></u>			<u><u>31,500</u></u>

As at 31 March 2023, 94,000 Shares were repurchased but not yet cancelled. An aggregate of 96,000 Shares (repurchased on 8, 10, 14, 20, 21 March 2023 and 14 April 2023) were cancelled in May 2023.

As at 30 June 2023, 38,000 Shares were repurchased but not yet cancelled. Additional 82,000 Shares were repurchased at an aggregate consideration of HK\$65,680 in July 2023. An aggregate of 120,000 shares were subsequently cancelled in August 2023.

Saved as disclosed above, during the Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company.

AUDIT COMMITTEE

The Company has established the 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 transaction.

The Audit Committee has reviewed the unaudited consolidated results of the Group for the three months ended 30 June 2023 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.

EVENTS AFTER REPORTING PERIOD

No material subsequent event has occurred in relation to the Company or the Group after 30 June 2023 and up to the date of this announcement.

PUBLICATION OF FIRST QUARTERLY RESULTS AND FIRST QUARTERLY REPORT

This results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.somerleycapital.com). The first quarterly report of the Company for the three months ended 30 June 2023 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, 14 August 2023

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 website of the Stock Exchange at www.hkexnews.hk 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.