



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 REPORT
2024/25**

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 report, 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 report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.





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CHAIRMAN'S STATEMENT

Dear Shareholders,

In my statement to you with the Annual Report 2023/24, I said that the prospects for the first half of the current financial year (2024/25) remained difficult. In the event, the pick-up of the Group's corporate finance advisory transactions and revenue seen in the previous financial year was not sustained in the six months ended 30 September 2024 (the "Period").

During the Period, the market environment for Hong Kong corporate finance transactions has been difficult. Client companies have been cautious in "pushing the button" to initiate new transactions and investors in general have lacked confidence in policy stances in Mainland China and internationally. This has had a substantial dampening effect on corporate finance activity in Hong Kong and Mainland China, delaying certain transactions and lengthening the time to completion, when the bulk of our fee is often charged. In addition, severe price competition continued to exert pressure on the fees we can charge for like-for-like transactions, which has had a knock-on effect on profit margins.

Facing a "perfect storm", the Group's total revenue decreased by approximately 26% during the Period compared to the last corresponding period. Revenue from acting as financial adviser ("FA") held up reasonably well, as when we act as FA we have a confirmed role at any early stage. Revenue from acting as independent financial adviser however decreased sharply owing to keen competition. Revenue from acting as compliance adviser ("CA") suffered from headwinds such as a lower level of IPOs and a scheduled run-off of existing CA mandates. A loss of approximately HK\$0.8 million was incurred in relation to attempts to reactivate our asset management business, including some involvement in digital assets.

Overall, the Group incurred a loss of approximately HK\$11.7 million for the Period (2023: loss of approximately HK\$0.9 million). There are some mitigating factors — approximately HK\$2.4 million increase in impairment in respect of trade receivables is largely one-off and share-based payments of approximately HK\$1.1 million (2023: nil) are non-cash. Nevertheless, the result is highly unsatisfactory.

The prospects for revenues during the second half of the current financial year remain uncertain, with preliminary figures and deal pipeline at end October not suggesting significant improvements are yet imminent. Nevertheless, the Group's objective is to achieve a turnaround by (i) leveraging on the Group's reputation for providing high quality corporate finance services; (ii) maintaining a prudent cost and capital management strategy; and (iii) exploring new opportunities to extend our scope of business.

In view of the loss incurred for the Period, we have launched a cost optimisation programme to modernize our remuneration package, including reviewing base salaries and performance-related incentives and introducing more flexible working schedules. This is designed to decrease costs while offering improved incentives and working conditions. With this and other initiatives, our target is to achieve a reduction in recurring operating costs by HK\$1 million per month going into the new calendar year. All other costs are being rigorously examined.

Our liquidity position continues to be strong, with no borrowings and cash and cash equivalents of approximately HK\$54 million at 30 September 2024.

This has been a particularly difficult time for our staff. I appreciate highly their continued hard work and loyalty. I would also like to thank our clients for the value they place on our services and our shareholders for their support.

Yours sincerely,

Martin Sabine

Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECT

Analysis of Principal Businesses

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 first half of the financial year ending 31 March 2025 remained difficult for the Group. The pick-up of the Group’s corporate finance advisory transactions and revenue seen in previous financial year was not sustained in the six months ended 30 September 2024 (the “Period”). During the Period, the market environment for Hong Kong corporate finance transactions has been difficult. Companies have been cautious in initiating new transactions and investors have generally lacked confidence in policy stances in Mainland China and internationally. Further, severe price competition continues to exert pressure on the Group’s fees and profit margins. Consequently, the Group incurred an after-tax loss of approximately HK\$11.7 million during the Period (2023: approximately HK\$0.9 million). This included non-cash expenses of approximately HK\$1.1 million related to the share-based payment expenses (2023: nil) and approximately HK\$2.5 million impairment provision recognised in respect of trade receivables (2023: approximately HK\$0.1 million).

The corporate finance advisory business segment recorded revenue of approximately HK\$24.0 million (2023: approximately HK\$32.4 million) and a segment loss before tax of approximately HK\$10.4 million (2023: segment profit before tax of approximately HK\$0.2 million) for the Period. A segment loss before tax of approximately HK\$0.8 million (2023: approximately HK\$0.5 million) was incurred by the Group's asset management business segment for the Period.

Prospects

The outlook for the second half of the financial year ending 31 March 2025 remains uncertain. Fee competition in Hong Kong corporate finance transactions remains severe. The Group's objective is to achieve a turnaround by (i) leveraging on the Group's reputation for providing high quality corporate finance advisory services, (ii) maintaining a prudence cost and capital management strategy and (iii) exploring new opportunities in asset management and digital asset related businesses. In addition, in view of the loss incurred for the Period, the Group has launched a cost optimisation programme to modernise the employee remuneration package and strengthen the operational cost control, targeting a reduction in monthly recurring operating costs by HK\$1 million from calendar year 2025. The Group is under no illusion that this is a challenging task.

FINANCIAL REVIEW

Revenue

The Group's total revenue decreased by approximately 25.9% to approximately HK\$24.0 million for the Period from approximately HK\$32.4 million for the six months ended 30 September 2023. The decrease was mainly due to the severe fee competition in Hong Kong corporate finance industry.

Revenue generated from acting as financial adviser ("FA") and as independent financial adviser ("IFA") for the Period amounted to approximately HK\$7.6 million (2023: approximately HK\$8.8 million) and HK\$7.6 million (2023: approximately HK\$12.0 million) respectively, in aggregate, accounting for approximately 63.3% of the Group's total revenue (2023: approximately 64.2%). Revenue from acting as FA held up reasonably and revenue from acting as IFA however decreased sharply owing to keen competition.

Revenue generated from acting as compliance adviser ("CA") for the Period amounted to approximately HK\$8.8 million (2023: approximately HK\$11.6 million), accounting for approximately 36.7% of the Group's total revenue (2023: approximately 35.8%). Revenue from acting as CA decreased due to a lower level of IPOs and a scheduled run-off of existing CA mandates.

MANAGEMENT DISCUSSION AND ANALYSIS

Investment Income and Other Income and Gains (Losses), Net

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

	For the six months ended 30 September	
	2024 HK\$'000	2023 HK\$'000
Investment income		
Interest income	846	872
Dividends from financial assets at fair value through profit or loss	40	—
Fair value gain on derivative financial instrument	—	1,012
Fair value gain on financial assets at fair value through profit or loss	51	30
	937	1,914

Other income and gains (losses), net mainly represented management service fee income from Somerley Group Limited ("SGL"), office sharing income and reimbursement of other premise expenses from SGL, net exchange difference and loss on deemed disposal of an associate.

	For the six months ended 30 September	
	2024 HK\$'000	2023 HK\$'000
Other income and gains (losses), net		
Management fee income from ultimate holding company	75	90
Office sharing income and reimbursement of other premises expenses from ultimate holding company	376	386
Exchange loss, net	(23)	(60)
Loss on deemed disposal of an associate	—	(797)
	428	(381)

On 10 August 2023, the Group entered into the supplemental agreement with CoinstreetPro (Global) Limited to acquire the derivative financial instrument that safeguards the Group's investment in CSpro (Hong Kong) Limited ("CSpro") (formerly known as Signum Digital Limited) and contributed further capital with HK\$0.9 million for business development of CSpro. After the completion, the Group's interest in CSpro was diluted and decreased from 25% to 12.5%, resulting in a loss on deemed disposal of an associate of approximately HK\$0.8 million and fair value gain on derivative financial instrument of approximately HK\$1.0 million.

Employee Benefits Costs

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

	For the six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
Fees, salaries, allowances and other benefits	23,932	24,271
Discretionary bonuses	—	655
Contributions to the retirement benefits scheme	576	559
Equity-settled share-based payment expenses	1,135	—
Severance payment	613	—
	26,256	25,485

Employee benefits costs increased by approximately 3.1% to approximately HK\$26.3 million for the Period from approximately HK\$25.5 million for the six months ended 30 September 2023. The net increase was mainly due to an one-off severance payment of approximately HK\$0.6 million paid to one employee and the recognition of share-based payment expenses in respect of the grant of share options in December 2023 for the Period, offset against by the decrease in discretionary bonuses.

MANAGEMENT DISCUSSION AND ANALYSIS

Depreciation and Other Operating Expenses

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. 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.

	For the six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
Depreciation of property and equipment	301	390
Depreciation of right-of-use assets	3,210	3,569
	3,511	3,959
Other premises expenses	1,015	948
Consultancy fee	—	197
Insurance expenses	586	464
IT related expenses	645	738
Recurring GEM listing expenses (excluding remuneration of independent non-executive directors)	790	1,204
Others	1,398	1,627
	7,945	9,137

Depreciation and other operating expenses decreased by approximately 13.2% to approximately HK\$7.9 million for the Period from approximately HK\$9.1 million for the six months ended 30 September 2023. The decrease was mainly due to (i) the decrease in recurring GEM listing expenses as a result of the change in regulatory reporting requirements and the absence of one-off professional expenses incurred for the amendment of articles and association of the Company in 2023, (ii) the decrease in rentals upon the renewal of tenancy since July 2024 and (iii) the absence of consultancy fee incurred for developing the Group's digital asset business.

Impairment Loss Recognised in respect of Trade Receivables

The Group recognises impairment loss in respect of trade receivables arising from its ordinary business by estimating expected credit losses in accordance with HKFRS 9. The increase from approximately HK\$0.1 million for the six month ended 30 September 2023 to approximately HK\$2.5 million for the Period was mainly due to the extended ageing of the trade receivables due from one significant debtor with total overdue balance of approximately HK\$4.3 million aged over 365 days as at 30 September 2024.

Loss for the Period

For the Period, the Group recorded a loss before tax of approximately HK\$11.7 million (2023: approximately HK\$1.0 million), and after-tax loss was approximately HK\$11.7 million (2023: approximately HK\$0.9 million). The increase in loss was mainly due to an approximately HK\$8.4 million decrease in revenue as a result of the severe fee competition and unfavourable business environment in Hong Kong corporate finance market.

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 functional currency of the Group is Hong Kong dollars. As at 30 September 2024, approximately HK\$3.2 million of the Group's cash and cash equivalents was denominated in other currencies (31 March 2024: approximately HK\$3.3 million), principally Renminbi and United States Dollars.

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 2024 and 30 September 2024.

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.

MANAGEMENT DISCUSSION AND ANALYSIS

Future Plans for Material Investments or Capital Assets

The Group had no capital commitments as at 30 September 2024 (31 March 2024: nil). The Group did not have plans for making material investments or acquiring capital assets as at 30 September 2024.

Significant Investments

Except for investments in subsidiaries disclosed in this report, the Group did not hold any significant investments during the Period.

Material Acquisition and Disposal of Subsidiaries, Associates or Joint Ventures

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

Events after the Reporting Date

As at the date of this report, there was no significant event after the reporting period.

Charge on Assets & Contingent Liabilities

As at 31 March 2024 and 30 September 2024, the Group did not have any charges on its assets or material contingent liabilities.

Gearing Ratio

As at 31 March 2024 and 30 September 2024, 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 (2023: 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 46 employees as at 30 September 2024 (31 March 2024: 48).

For the Period, employee benefits costs of the Group (including the Directors' emoluments) were approximately HK\$26.3 million (2023: approximately HK\$25.5 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 schemes 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.

REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION



國富浩華（香港）會計師事務所有限公司
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香港 銅鑼灣 禮頓道77號 禮頓中心9樓
9/F Leighton Centre,
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Causeway Bay, Hong Kong

TO THE BOARD OF DIRECTORS OF SOMERLEY CAPITAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 14 to 41 which comprises the condensed consolidated statement of financial position of Somerley Capital Holdings Limited (the "Company") as of 30 September 2024 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months period then ended and explanatory notes. The Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, Interim financial reporting, issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, Review of interim financial information performed by the independent auditor of the entity, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 September 2024 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, Interim financial reporting.

Crowe (HK) CPA Limited

Certified Public Accountants

CHIU Lung Sang

Practicing Certificate Number P08091

Hong Kong

26 November 2024

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2024

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 2023, as follows:

	Notes	Six months ended 30 September	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Revenue	6	24,003	32,413
Investment income	7	937	1,914
Other income and gains (losses), net	7	428	(381)
Employee benefits costs		(26,256)	(25,485)
Depreciation	12	(3,511)	(3,959)
Share of losses of associates		—	(13)
Finance costs on lease liabilities		(402)	(176)
Impairment loss recognised in respect of trade receivables		(2,472)	(114)
Other operating expenses		(4,434)	(5,178)
Loss before tax	8	(11,707)	(979)
Income tax credit	9	1	101
Loss for the period		(11,706)	(878)
Other comprehensive income (loss) Item that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of financial statements of foreign operations		3	(20)
Total comprehensive loss for the period		(11,703)	(898)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2024

		Six months ended 30 September 2024	2023
Note	HK\$' 000 (Unaudited)	HK\$'000 (Unaudited)	
Loss for the period attributable to:			
Owners of the Company	(11,698)	(839)	
Non-controlling interests	(8)	(39)	
	(11,706)	(878)	
Total comprehensive loss for the period attributable to:			
Owners of the Company	(11,695)	(859)	
Non-controlling interests	(8)	(39)	
	(11,703)	(898)	
Loss per share			
— basic and diluted (HK cents)	10	(7.96)	(0.59)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

	Notes	As at 30 September 2024 HK\$' 000 (Unaudited)	As at 31 March 2024 HK\$' 000 (Audited)
Non-current assets			
Property and equipment	12	1,366	1,607
Right-of-use assets	12	14,699	2,816
Goodwill		—	—
Intangible asset		1,300	1,300
Rental deposits	13	1,923	223
Deferred tax assets		90	92
		19,378	6,038
Current assets			
Trade receivables	13	6,384	11,593
Prepayments, deposits and other receivables	13	3,621	6,636
Financial assets at fair value through profit or loss	14	—	2,690
Amount due from ultimate holding company		886	438
Tax recoverable		—	3
Cash and cash equivalents		53,625	60,163
		64,516	81,523
Current liabilities			
Contract liability		396	557
Other payables and accruals	15	1,185	2,231
Lease liabilities	12	5,439	2,519
Provision for reinstatement cost		—	2,300
Tax payable		37	35
		7,057	7,642
Net current assets		57,459	73,881
Total assets less current liabilities		76,837	79,919

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

		As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
	Notes		
<hr/>			
Non-current liabilities			
Lease liabilities	12	9,491	578
Provision for long service payment		610	610
Provision for reinstatement cost		2,300	—
Deferred tax liabilities		214	214
		12,615	1,402
<hr/>			
Net assets		64,222	78,517
<hr/>			
Capital and reserves			
Share capital	16	1,471	1,455
Treasury share		(121)	—
Reserves		62,794	76,988
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Equity attributable to owners of the Company		64,144	78,443
Non-controlling interests		78	74
<hr/>			
Total equity		64,222	78,517
<hr/>			

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2024

	Attributable to the owners of the Company										
	Share capital HK\$'000	Share premium HK\$'000	Treasury share HK\$'000	Retained earnings HK\$'000	Shareholder contribution reserve HK\$'000	Share option reserve HK\$'000	Translation reserve HK\$'000	Other reserve (note) HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1 April 2024 (Audited)	1,455	43,954	—	17,631	4,179	1,324	—	9,900	78,443	74	78,517
Loss for the period	—	—	—	(11,698)	—	—	—	—	(11,698)	(8)	(11,706)
Other comprehensive income:											
Exchange differences arising on translation of financial statements of foreign operation	—	—	—	—	—	—	3	—	3	—	3
Total comprehensive (loss) income for the period	—	—	—	(11,698)	—	—	3	—	(11,695)	(8)	(11,703)
Issue of shares upon exercise of share option (note 16(iii))	18	817	—	—	—	(674)	—	—	161	—	161
Dividends recognised as distribution (note 11)	—	(3,679)	—	—	—	—	—	—	(3,679)	—	(3,679)
Change in ownership interest in a subsidiary that does not result in change of control	—	—	—	(12)	—	—	—	—	(12)	12	—
Recognition of equity-settled share-based payments (note 18)	—	—	—	—	—	1,135	—	—	1,135	—	1,135
Repurchase and cancellation of ordinary shares (note 16(iv))	(2)	(86)	(121)	—	—	—	—	—	(209)	—	(209)
At 30 September 2024 (Unaudited)	1,471	41,006	(121)	5,921	4,179	1,785	3	9,900	64,144	78	64,222
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	—	—	—	(839)	—	—	—	—	(839)	(39)	(878)
Other comprehensive loss:											
Exchange differences arising on translation of financial statements of foreign operation	—	—	—	—	—	—	(20)	—	(20)	—	(20)
Total comprehensive loss for the period	—	—	—	(839)	—	—	(20)	—	(859)	(39)	(898)
Dividends recognised as distribution (note 11)	—	(3,580)	—	—	—	—	—	—	(3,580)	—	(3,580)
Change in ownership interest in a subsidiary that does not result in change of control	—	—	—	(19)	—	—	—	—	(19)	19	—
Repurchase and cancellation of ordinary shares (note 16(ii))	(2)	(169)	73	—	—	—	—	—	(96)	—	(98)
At 30 September 2023 (Unaudited)	1,432	42,884	—	20,335	4,179	1,555	(1)	9,900	80,284	105	80,389

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.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2024

	Six months ended 30 September 2024 HK\$' 000 (Unaudited)	2023 HK\$' 000 (Unaudited)
OPERATING ACTIVITIES		
Loss before tax	(11,707)	(979)
Adjustments for:		
Share of losses of associates	—	13
Loss on deemed disposal of an associate	—	797
Depreciation of property and equipment	301	390
Depreciation of right-of-use assets	3,210	3,569
Interest income	(846)	(872)
Equity-settled share-based payment expenses	1,135	—
Finance costs on lease liabilities	402	176
Provision for long service payments	—	23
Impairment loss recognised in respect of trade receivables	2,472	114
Fair value gain on derivative financial instrument	—	(1,012)
Fair value gain on financial assets at fair value through profit or loss	(51)	(30)
Dividend income	(40)	—
Operating cash flow before movements in working capital	(5,124)	2,189
Decrease in trade receivables	2,737	2,330
Decrease in prepayments, deposits and other receivables	1,279	2,359
(Decrease) increase in contract liability	(161)	630
Decrease in financial assets at fair value through profit or loss	2,741	1,735
Decrease in other payables and accruals	(1,046)	(297)
Increase in amount due from ultimate holding company	(448)	—
Cash (used in) generated from operations	(22)	8,946
Profits tax refunded	8	318
NET CASH (USED IN) GENERATED FROM OPERATING ACTIVITIES	(14)	9,264

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2024

	Six months ended 30 September	
	2024	2023
	HK\$' 000	HK\$'000
	(Unaudited)	(Unaudited)
INVESTING ACTIVITIES		
Advance to an associate	—	(57)
Investment in an associate	—	(917)
Dividend received	40	—
Interest received	882	629
Purchase of property and equipment	(59)	(275)
NET CASH GENERATED FROM (USED IN) INVESTING ACTIVITIES	863	(620)
FINANCING ACTIVITIES		
Dividends paid	(3,679)	(3,580)
Repayment of principal element of lease liabilities	(3,262)	(3,193)
Interest paid in respect of lease liabilities	(402)	(176)
Payment for repurchase of shares	(209)	(98)
Proceeds from issuance of shares	161	—
NET CASH USED IN FINANCING ACTIVITIES	(7,391)	(7,047)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(6,542)	1,597
CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE PERIOD	60,163	63,540
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	4	(94)
CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD, represented by bank balances and cash	53,625	65,043

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

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 and ultimate holding company 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”).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

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 2024, except as described below:

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA which are effective for the Group's financial year beginning on 1 April 2024:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current ("2020 amendments")
Amendments to HKAS 1	Non-current Liabilities with Covenants ("2022 amendments")
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 7 and HKFRS 7	Disclosures — Supplier Finance Arrangements

The application of 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 2024.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

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 (i) corporate finance advisory service and (ii) asset management service.

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 substantially located in Hong Kong.

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

	For the six months ended 30 September 2024			For the six months ended 30 September 2023		
	Corporate finance advisory service	Asset management service	Total	Corporate finance advisory service	Asset management service	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Segment revenue	24,003	—	24,003	32,413	—	32,413
Segment (loss) profit	(10,360)	(831)	(11,191)	207	(548)	(341)
Investment income			937			1,664
Share of losses of associates			—			(13)
Corporate and other unallocated expenses			(1,453)			(2,289)
Loss before tax			(11,707)			(979)

Segment (loss) profit represents the (loss resulted) profit earned from each segment without allocation of share of results of associates, certain interest income and central administration costs. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

No analysis of segment asset and segment liability is presented as the chief operating decision maker no longer regularly reviews such information for the purpose of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

5. SEGMENT INFORMATION (CONTINUED)

Other segment information

For the six months ended 30 September 2024

	Corporate finance advisory service HK\$' 000 (Unaudited)	Asset management service HK\$' 000 (Unaudited)	Corporate HK\$' 000 (Unaudited)	Total HK\$' 000 (Unaudited)
Amounts included in the measure of segment profit or loss:				
Depreciation of property and equipment	260	—	41	301
Depreciation of right-of-use assets	2,332	142	736	3,210
Impairment loss recognised in respect of trade receivables	2,472	—	—	2,472
Interest income	—	—	846	846

For the six months ended 30 September 2023

	Corporate finance advisory service HK\$' 000 (Unaudited)	Asset management service HK\$' 000 (Unaudited)	Corporate HK\$' 000 (Unaudited)	Total HK\$' 000 (Unaudited)
Amounts included in the measure of segment profit or loss:				
Depreciation of property and equipment	382	3	5	390
Depreciation of right-of-use assets	3,245	106	218	3,569
Impairment loss recognised in respect of trade receivables	114	—	—	114
Interest income	249	1	622	872

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

5. SEGMENT INFORMATION (CONTINUED)

Information about major customers

No customer accounted for 10% or more of the Group's revenue for the six months ended 30 September 2024. Revenue from corporate finance advisory service segment of approximately HK\$3,415,000 from one major customer accounted for 10% or more of the Group's revenue for the six months ended 30 September 2023.

6. REVENUE

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

Six months ended 30 September	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Corporate finance advisory fee income		
— from acting as financial adviser	7,628	8,785
— from acting as independent financial adviser	7,547	11,971
— from acting as compliance adviser	8,828	11,657
	24,003	32,413

Disaggregation of revenue by timing of recognition:

	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Timing of revenue recognition		
Over time	22,379	30,578
At a point in time	1,624	1,835
	24,003	32,413

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

7. INVESTMENT INCOME AND OTHER INCOME AND GAINS (LOSSES), NET

Six months ended 30 September	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Investment income		
Interest income	846	872
Dividends from financial assets at fair value through profit or loss	40	—
Fair value gain on a derivative financial instrument	—	1,012
Fair value gain on financial assets at fair value through profit or loss	51	30
	937	1,914
Six months ended 30 September	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Other income and gains (losses), net		
Management fee income from ultimate holding company	75	90
Office sharing income and reimbursement of other premises expenses from ultimate holding company	376	386
Exchange loss, net	(23)	(60)
Loss on deemed disposal of an associate	—	(797)
	428	(381)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

8. LOSS BEFORE TAX

Six months ended 30 September	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Loss before tax has been arrived at after charging:		
Directors' emoluments:		
Fees	360	360
Other emoluments	5,390	5,148
Contributions to retirement benefits scheme	20	18
Equity-settled share-based payment expenses	93	—
	5,863	5,526
Other employees' emoluments:		
Salaries, allowances and benefits in kind	18,795	18,740
Discretionary bonuses	—	655
Provision for long service payment	—	23
Contributions to retirement benefits schemes	556	541
Equity-settled share-based payment expenses	1,042	—
Total employee benefits costs	26,256	25,485
Exchange loss, net	23	60
Depreciation for property and equipment	301	390
Depreciation for right-of-use assets	3,210	3,569
Impairment loss recognised in respect of trade receivables	2,472	114

9. INCOME TAX CREDIT

Six months ended 30 September	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Current income tax:		
People's Republic of China	2	—
Over provision in prior years:		
People's Republic of China	(5)	—
Deferred taxation	2	(101)
	(1)	(101)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

9. INCOME TAX CREDIT (CONTINUED)

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%. No provision for Hong Kong profits tax has been made for the six months ended 30 September 2024 and 2023 as the Group did not generate any assessable profits arising in Hong Kong.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25%. No provision for PRC Enterprise Income Tax has been made for the six months ended 30 September 2023 as the Group's subsidiary established in the PRC had no assessable profits arising in the PRC.

10. LOSS PER SHARE

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

Six months ended 30 September	2024 HK\$' 000 (Unaudited)	2023 HK\$' 000 (Unaudited)
Loss		
Loss attributable to owners of the Company, used in the basic and diluted loss per share calculation	(11,698)	(839)
Six months ended 30 September	2024 (Unaudited)	2023 (Unaudited)
Shares		
Weighted average number of ordinary shares during the period used in the basic and diluted loss per share calculation ('000)	147,013	143,255

Note: For the six months ended 30 September 2024 and 2023, 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

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 HK2.5 cents per share in respect of the year ended 31 March 2024 (2023: HK2.5 cents per share), amounting to approximately HK\$3,679,000 (2023: HK\$3,580,000), was paid during the Period.

The Directors do not recommend the payment of interim dividend for the Period (30 September 2023: 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\$59,000 (2023: HK\$275,000). Additions to the right-of-use assets amounted to approximately HK\$15,078,000 (2023: nil) due to the renewal of the lease.

As at 30 September 2024, the carrying amounts of property and equipment and right-of-use assets were approximately HK\$1,366,000 (31 March 2024: HK\$1,607,000) and HK\$14,699,000 (31 March 2024: HK\$2,816,000) respectively.

The Group's depreciation during the Period amounted to approximately HK\$301,000 (2023: HK\$390,000) and HK\$3,210,000 (2023: HK\$3,569,000) in respect of property and equipment and right-of-use assets respectively.

(ii) Lease liabilities

As at 30 September 2024, the carrying amount of lease liabilities were approximately HK\$14,930,000 (31 March 2024: HK\$3,097,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

12. PROPERTY AND EQUIPMENT, RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

(iii) Amounts recognised in profit or loss

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Depreciation on right-of-use assets	3,210	3,569
Finance costs on lease liabilities	402	176

(iv) Others

During the Period, the total cash outflow for leases, including interest paid on lease liabilities and payment of lease liabilities, amounted to approximately HK\$3,664,000 (2023: HK\$3,369,000).

13. TRADE RECEIVABLES AND PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
	Trade receivables (note)	11,138
Less: Impairment allowance	(4,754)	(2,947)
	6,384	11,593

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

13. TRADE RECEIVABLES AND PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (CONTINUED)

At as 30 September 2024, the gross amount of trade receivables arising from contracts with customers amounted to approximately HK\$11,138,000 (31 March 2024: HK\$14,540,000).

	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
<hr/>		
Prepayments, deposits and other receivables		
Analysed as:		
— non-current assets (rental deposits)	1,923	223
— current assets	3,621	6,636
	5,544	6,859
<hr/>		
Deposits and other receivables	2,053	2,473
Prepayments	1,733	1,383
Receivables from brokers	1,758	3,003
	5,544	6,859
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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

13. TRADE RECEIVABLES AND PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (CONTINUED)

Note:

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.

	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
Within 90 days	5,611	8,461
91–180 days	502	1,104
180–270 days	248	1,845
271–365 days	23	183
Total	6,384	11,593

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 collectively grouped by past due statuses. In determining the expected loss rates, the management considers the using a provision matrix by reference to ageing of the trade receivables, historical settlement records, subsequent settlement status, expected timing and amount of realisation of outstanding balances as well as forward looking information that may impact the customers' ability to repay the outstanding balances at the reporting date.

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

	For the six months ended 30 September 2024 HK\$'000 (Unaudited)	For the year ended 31 March 2024 HK\$'000 (Audited)
At the beginning of the period/year	2,947	1,070
Impairment losses recognised on trade receivables	2,472	1,877
Amount written-off as uncollectible	(665)	—
At the end of the period/year	4,754	2,947

During the Period, trade receivables of approximately HK\$665,000 (2023: nil) 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. None of the trade receivables that have been written off is subject to enforcement activities.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
Financial assets at fair value through profit or loss		
— Listed equity securities, Hong Kong	—	2,690

15. OTHER PAYABLES AND ACCRUALS

	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
Bonus payable	—	831
Other payables	847	1,010
Accruals	338	390
	1,185	2,231

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

16. SHARE CAPITAL

Details of the share capital of the Company are as follows:

	Number of shares '000	Amount HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 April 2023 (Audited), 31 March 2024 (Audited), 1 April 2024 (Audited) and 30 September 2024 (Unaudited)	200,000	2,000
Issued and fully paid:		
At 1 April 2023 (Audited)	143,406	1,434
Exercise of share options (note i)	2,353	23
Share repurchase (note ii)	(216)	(2)
At 31 March 2024 (Audited) and 1 April 2024 (Audited)	145,543	1,455
Exercise of share options (note iii)	1,777	18
Share repurchase (note iv)	(178)	(2)
As 30 September 2024 (Unaudited)	147,142	1,471

Notes:

- (i) During the year ended 31 March 2024, share options were exercised at subscription prices of approximately HK\$0.09 per ordinary share, resulting in the issue of 2,352,629 ordinary shares for proceeds of approximately HK\$212,000. An amount of approximately HK\$881,000 was transferred from share option reserve to the share premium account upon exercise of the share options.
- (ii) As at 1 April 2023, 94,000 shares were repurchased but not yet cancelled. During the year ended 31 March 2024, a total of 122,000 shares were repurchased by the Company at an aggregate consideration of approximately HK\$98,000. 96,000 and 120,000 repurchased shares were cancelled in May 2023 and August 2023 respectively.
- (iii) During the Period, share options were exercised at subscription prices of approximately HK\$0.09 per ordinary share, resulting in the issue of 1,776,970 ordinary shares for proceeds of approximately HK\$161,000. An amount of approximately HK\$674,000 was transferred from share option reserve to the share premium account upon exercise of the share options.
- (iv) During the Period, a total of 480,000 shares were repurchased by the Company at an aggregate consideration of approximately HK\$209,000. 170,000 repurchased shares and 8,000 repurchased shares were cancelled on 9 August 2024 and 4 September 2024 respectively. As at 30 September 2024, 302,000 shares were repurchased but not yet cancelled.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

17. RELATED PARTY TRANSACTIONS

(a) Transactions

	Notes	Six months ended 30 September	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Somerley Group Limited ("SGL")			
— Office sharing income and recharge of other premises expenses	(i)	376	386
— Management fee income	(ii)	75	90

(i) During the Period, the Group charged SGL office sharing and other premises expenses of approximately HK\$376,000 (2023: HK\$386,000). It is calculated based on the office areas occupied and sharing of common area by SGL.

(ii) During the Period, the Group charged SGL the management fee of approximately HK\$75,000 (2023: HK\$90,000) as reimbursement of expenses incurred for the senior management, executive oversight and other administrative services as provided to SGL.

(b) Balances with related parties

Amount due from ultimate holding company of approximately HK\$376,000 (2023: nil) is non-trade related and is unsecured, interest-free and repayable on demand.

Amount due from ultimate holding company of approximately HK\$510,000 (2023: HK\$438,000) is trade related and is unsecured, interest-free and due upon the issuance of invoice.

(c) Compensation of key management personnel

Other than the emoluments paid to the directors of the Company, who are also considered as the key management of the Company as set out in note 8, the Company did not have any other compensation to the key management personnel.

The emoluments of the directors of the Company and key executives are determined with regards to the performance of individuals.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

18. SHARE-BASED PAYMENT TRANSACTIONS

Pre-IPO Share Option Scheme

On 19 May 2016, the Company entered into the conditional granted options under Pre-IPO Share Option Scheme (the "Scheme") to directors, employees and other staff of the Group as the grantees ("2016 Grantees"), pursuant to a written resolution passed on 11 May 2016. Pursuant to the Scheme, in consideration of HK\$1 paid by each 2016 Grantee, the Company granted share options to the 2016 Grantees. The exercise of these share options would entitle the 2016 Grantees to purchase in aggregate 13,061,735 shares of the Company (the "Shares").

The share options are valid after the listing date (i.e. 29 March 2017) of the Company to 10 May 2024. According to the Scheme, not more than 5,524,294 Shares comprised in the options under the Scheme shall vest unto the 2016 Grantees and become exercisable with price of HK\$0.28 during the period commencing from the listing date of the Company and ending on expiry of the option period ("1st vesting period") and the remaining Shares comprised in the options under the Scheme (being not more than 7,537,441 Shares) shall vest unto the 2016 Grantees and become exercisable during the period commencing on (i) the date on which the listing of the Shares of the Company is transferred to the Main Board; or (ii) 1 January 2020, whichever is earlier, and ending on the expiry of the option period ("2nd vesting period").

As the capital distribution of an amount per share exceeded the profit attributable to equity holders of the Company per Share in respect of the financial year ended 31 March 2023, the exercise price of share options was adjusted from approximately HK\$0.16 to approximately HK\$0.09 during the year ended 31 March 2024 pursuant to the terms of the Scheme.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

18. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

Pre-IPO Share Option Scheme (Continued)

The estimated fair value of the options granted on 19 May 2016 is approximately HK\$4,485,000.

The following table discloses movements of the Company's share options held by the 2016 Grantees:

	Date of grant of share options	Outstanding as at 1 April 2023	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding as at 31 March 2024
2nd vesting period						
Directors	19/05/2016	2,522,800	—	(745,830)	—	1,776,970
Other employees	19/05/2016	1,606,799	—	(1,606,799)	—	—
		4,129,599	—	(2,352,629)	—	1,776,970
Exercisable at the end of the year						1,776,970
Weighted average exercise price		0.16	—	0.09	—	0.09

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

18. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

Pre-IPO Share Option Scheme (Continued)

	Date of grant of share options	Outstanding as at 1 April 2024	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding as at 30 September 2024
2nd vesting period Directors	19/5/2016	1,776,970	—	(1,776,970)	—	—
Exercisable at the end of the period						—
Weighted average exercise price		0.09	—	0.09	—	—

2023 Share Option Scheme

Pursuant to the ordinary resolution of the shareholders of the Company passed on 15 September 2023 (the “2023 Share Option Scheme”), the Company has adopted the 2023 Share Option Scheme to recognise and acknowledge the contributions of the eligible employees (“2023 Grantees”) to the Group by granting share options under the 2023 Share Option Scheme to them as incentives or rewards. The amount payable by the 2023 Grantee to the Company for each acceptance of grant of option is HK\$1.

The total number of shares issued and to be issued upon exercise of options granted and to be granted to each Participant under the 2023 Share Option Scheme in any 12-month period shall not exceed 1% of the shares in issue at the relevant time. For options granted or to be granted to a substantial shareholder or any of their respective associates or associates of independent non-executive directors, the said limit is reduced to 0.1% of the shares in issue. Any further grant of share options in excess of such limits is subject to shareholders’ approval in general meeting.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

18. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

2023 Share Option Scheme (Continued)

Subject to early termination by the Company in a general meeting or otherwise in accordance with the terms of the 2023 Share Option Scheme, the 2023 Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date on which the 2023 Share Option Scheme is adopted by an ordinary resolution of the shareholders of the Company on 15 September 2023 and will expire on 14 September 2033.

The estimated fair value of the options granted on 18 December 2023 is approximately HK\$3,686,000.

The following table discloses movements of the Company's share options under 2023 Share Option Scheme held by the 2023 Grantees of the 2023 Share Option Scheme:

	Date of grant of share options	Outstanding as at 1 April 2023	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding as at 31 March 2024
1st vesting period						
Director	18/12/2023	—	231,000	—	—	231,000
Other employees	18/12/2023	—	3,630,000	—	—	3,630,000
2nd vesting period						
Director	18/12/2023	—	231,000	—	—	231,000
Other employees	18/12/2023	—	3,630,000	—	—	3,630,000
3rd vesting period						
Director	18/12/2023	—	238,000	—	—	238,000
Other employees	18/12/2023	—	3,740,000	—	—	3,740,000
		—	11,700,000	—	—	11,700,000
Exercisable at the end of the year						
						—
Weighted average exercise price						
		—	0.72	—	—	0.72

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

18. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

2023 Share Option Scheme (Continued)

	Date of grant of share options	Outstanding as at 1 April 2024	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding as at 30 September 2024
1st vesting period						
Directors (Note)	18/12/2023	528,000	—	—	—	528,000
Other employees	18/12/2023	3,333,000	—	—	(99,000)	3,234,000
2nd vesting period						
Directors (Note)	18/12/2023	528,000	—	—	—	528,000
Other employees	18/12/2023	3,333,000	—	—	(99,000)	3,234,000
3rd vesting period						
Directors (Note)	18/12/2023	544,000	—	—	—	544,000
Other employees	18/12/2023	3,434,000	—	—	(102,000)	3,332,000
		<u>11,700,000</u>	<u>—</u>	<u>—</u>	<u>(300,000)</u>	<u>11,400,000</u>
Exercisable at the end of the period						<u>—</u>
Weighted average exercise price		0.72	—	—	—	0.72

Note: Included in share options granted to Directors, there were 450,000 and 450,000 share options granted to Ms. LEUNG Lim Ng Jenny and Mr. WONG C-Tsun, who were appointed as Directors on 10 September 2024, respectively, on 18 December 2023 under the 2023 Share Option Scheme. The share options were exercisable during 18 December 2024 to 17 December 2028.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

19. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

The following table provides an analysis of financial instruments that are measured at fair value at the end of each reporting period, grouped into Levels 1 to 3 based on the degree to which the fair value is observable in accordance to the Group's accounting policy.

	31 March 2024 (Audited)			Total HK\$'000
	Level 1	Level 2	Level 3	
	HK\$'000	HK\$'000	HK\$'000	
Financial asset				
Financial assets at fair value through profit or loss				
— Listed equity securities	2,690	—	—	2,690

During the Period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (31 March 2024: nil).

The valuation techniques and input used in the fair value measurement of financial instruments are as set out below:

Financial asset	Fair value of	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable inputs	Relationship of key inputs and significant unobservable inputs to fair value
Financial assets at FVTPL					
— Listed equity securities, Hong Kong	Nil (31 March 2024: HK\$2,690,000)	Level 1	Quoted closing price in an active market	N/A	N/A

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate to their corresponding fair value due to short-term maturities as at 30 September 2024 and 31 March 2024.

CORPORATE GOVERNANCE AND OTHER INFORMATION

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board is committed to achieving and maintaining high standards of corporate governance practices and procedures. The Board believes 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 as set out in Part 2 of Appendix C1 to the GEM Listing Rules.

BOARD OF DIRECTORS AND CHANGE OF DIRECTOR INFORMATION

During the Period and up to the date of this report, the Directors are as follows:

Executive Directors

Mr. SABINE Martin Nevil (*Chairman*)

Mr. CHEUNG Tei Sing Jamie (*Vice Chairman*)

Mr. CHOW Wai Hung Kenneth (*Chief Executive Officer*)

Ms. LEUNG Lim Ng Jenny (*appointed on 10 September 2024*)

Mr. WONG C-Tsun (*appointed on 10 September 2024*)

Independent non-executive Directors

Mr. CHENG Yuk Wo

Mr. YUEN Kam Tim Francis

Mr. LAW Cheuk Kin Stephen

On 10 September 2024, following the passing of the relevant resolutions at the annual general meeting of the Company, Ms. LEUNG Lim Ng Jenny and Mr. WONG C-Tsun have been appointed as executive Directors at the annual general meeting held on 10 September 2024. Details of the biography of Ms. LEUNG Lim Ng Jenny and Mr. WONG C-Tsun as well as other information relating to their appointments that are required to be disclosed pursuant to the requirements of the provision under Rules 17.50(2) of the GEM Listing Rules were set out in the announcement dated 7 August 2024 and the circular dated 14 August 2024, respectively. With effect from 10 September 2024, (i) Ms. LEUNG Lim Ng Jenny and Mr. CHENG Yuk Wo have been appointed as members of the nomination committee of the Company; and (ii) Mr. WONG C-Tsun and Mr. LAW Cheuk Kin Stephen have been appointed as members of the remuneration committee of the Company.

Mr. CHENG Yuk Wo resigned as an independent non-executive director of Top Spring International Holdings Limited (stock code: 3688) on 30 September 2024.

Save as disclosed above, there was no change in the information of the Directors or chief executive of the Company required to be disclosed pursuant to Rule 17.50A(1) of the Listing Rules subsequent to the date of the Company's latest annual report or their appointment.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for dealing in securities of the Company by the Directors (the "Required Standard of Dealings"). Having made specific enquiries to all the Directors, each of them has confirmed that they have complied with the Required Standard of Dealings throughout the Period and up to the date of this report.

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

The Company repurchased a total of 178,000 and 302,000 Shares on the Stock Exchange at an aggregate consideration of HK\$86,830 and HK\$121,000 during the Period at prices ranging from HK\$0.405 to HK\$0.600 and from HK\$0.400 to HK\$0.500 pursuant to the mandates granted by shareholders at annual general meetings of the Company held on 15 September 2023 and 10 September 2024 respectively, 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:

Month	Number of shares repurchased	Highest purchase price per share (HK\$)	Lowest purchase price per share (HK\$)	Aggregated amount of purchase price (HK\$)
June 2024	10,000	0.425	0.405	4,090
July 2024	160,000	0.550	0.425	78,060
August 2024	8,000	0.600	0.580	4,680
September 2024	302,000	0.500	0.400	121,000
Total	480,000			207,830

An aggregate of 170,000 Shares and 8,000 Shares was cancelled on 9 August 2024 and 4 September 2024 respectively. As at 30 September 2024, 302,000 Shares were repurchased but not yet cancelled.

Saved as disclosed above, during the Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities (including sale of treasury shares) of the Company. As at 30 September 2024, the Company did not hold any treasury shares.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

As at 30 September 2024, the Directors and chief executive and/or any of their respective associates had the following interests and short positions in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the GEM Listing Rules were as follows:

Long position in ordinary shares of the Company

Name of Directors	Capacity/Nature of interests	Number of ordinary share(s) held	Number of underlying shares held pursuant to share options	Approximate percentage of the total number of issued shares of the Company
SABINE Martin Nevil ("Mr. Sabine")	Interest of a controlled corporation	84,938,190 (Note 1)	—	57.73%
	Beneficial owner	342,000	—	0.23%
	A concert party to an agreement to buy shares described in s317(1)(a)	2,929,157 (Note 2)	—	1.99%
CHEUNG Tei Sing Jamie ("Mr. Cheung")	Beneficial owner	2,879,157	—	1.96%
	A concert party to an agreement to buy shares described in s317(1)(a)	85,330,190 (Notes 1 & 2)	—	57.99%
CHOW Wai Hung Kenneth	Beneficial owner	5,631,253	—	3.83%
	Beneficial owner	—	700,000 (Note 3)	0.48%
LEUNG Lim Ng Jenny	Beneficial owner	1,126,256	—	0.77%
	Beneficial owner	—	450,000 (Note 3)	0.31%
WONG C-Tsun	Beneficial owner	1,126,256	—	0.77%
	Beneficial owner	—	450,000 (Note 3)	0.31%

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

1. SGL is directly interested in 84,938,190 Shares. SGL is wholly-owned by Mr. Sabine, Mr. FLETCHER John Wilfred Sword ("Mr. Fletcher"), Mr. Cheung and Ms. FONG Sau Man Cecilia.
2. Mr. Sabine, Mr. Fletcher and Mr. Cheung are acting in concert in respect of their interests in the Company and therefore each of Mr. Sabine, Mr. Fletcher and Mr. Cheung is deemed to be interested in all the Shares held by them in aggregate by virtue of the SFO. Mr. Sabine, Mr. Cheung and Mr. Fletcher are directly interested in 342,000 Shares, 2,879,157 Shares and 50,000 Shares, respectively.
3. These share options were granted by the Company on 18 December 2023 under the share option scheme adopted on 15 September 2023.

Long position in the ordinary shares of the associated corporations

Name of Directors	Name of the associated corporations	Capacity/Nature of interests	Number of ordinary share(s) held	Approximate percentage of the total issued shares of the associated corporations
SABINE Martin Nevil (Note)	Somerley China Associates Limited (Note)	Interest of a controlled corporation	2	100%
	Somerley Group Limited (Note)	Beneficial owner; A concert party to an agreement to buy shares described in s317(1)(a)	9,500,000	90.48%
CHEUNG Tei Sing Jamie (Note)	Somerley China Associates Limited (Note)	Interest of a controlled corporation	2	100%
	Somerley Group Limited (Note)	Beneficial owner; A concert party to an agreement to buy shares described in s317(1)(a)	9,500,000	90.48%

Note: SGL is the holding company of the Company and an associated corporation of the Company by virtue of the SFO. SGL wholly owns Somerley China Associates Limited so Somerley China Associates Limited is also an associated corporation by virtue of the SFO. Mr. Sabine, Mr. Fletcher and Mr. Cheung are acting in concert in respect of their interests in the Company and they hold approximately 90.48% of the shares of SGL. Therefore, Mr. Sabine and Mr. Cheung are interested in SGL and Somerley China Associates Limited by virtue of the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Save as disclosed above, as at 30 September 2024, none of the Directors or chief executive and/or any of their respective associates had any interest or short position in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2024, substantial shareholders (not being the Directors or chief executive) had interests or short positions in the shares or underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO, were as follows:

Long position in ordinary shares of the Company

Name of substantial shareholders	Capacity/Nature of interests	Number of ordinary share(s) held	Number of underlying shares held pursuant to share options	Approximate percentage of the total number of issued shares of the Company
Somerley Group Limited	Beneficial owner	84,938,190 (Note 1)	—	57.73%
SABINE Maureen Alice ("Dr. Sabine")	Interest of a spouse	88,209,347 (Note 2)	—	59.95%
FLETCHER John Wilfred Sword	A concert party to an agreement to buy shares described in s317(1)(a)	88,209,347 (Note 1)	—	59.95%
FLETCHER Jacqueline ("Mrs. Fletcher")	Interest of a spouse	88,209,347 (Note 3)	—	59.95%
CHOI Helen Oi Yan ("Mrs. Cheung")	Interest of a spouse	88,209,347 (Note 4)	—	59.95%

Notes:

1. SGL is directly interested in 84,938,190 Shares and SGL is wholly-owned by Mr. Sabine, Mr. Fletcher, Mr. Cheung and Ms. FONG Sau Man Cecilia. Mr. Sabine, Mr. Fletcher and Mr. Cheung are acting in concert in respect of their interests in the Company. Mr. Sabine, Mr. Cheung and Mr. Fletcher are directly interested in 342,000 Shares, 2,879,157 Shares and 50,000 Shares, respectively. Therefore each of Mr. Sabine, Mr. Fletcher and Mr. Cheung is deemed to be interested in all the Shares held by them in aggregate by virtue of the SFO.
2. Dr. Sabine is the spouse of Mr. Sabine. By virtue of the SFO, Dr. Sabine is deemed to be interested in the Shares held by Mr. Sabine.
3. Mrs. Fletcher is the spouse of Mr. Fletcher. By virtue of the SFO, Mrs. Fletcher is deemed to be interested in the Shares held by Mr. Fletcher.
4. Mrs. Cheung is the spouse of Mr. Cheung. By virtue of the SFO, Mrs. Cheung is deemed to be interested in the Shares held by Mr. Cheung.

Save as disclosed above, the Directors and chief executive are not aware that there is any party who, as at 30 September 2024, had an interest or short position in the shares or underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

SHARE OPTION SCHEMES

Pre-IPO Share Option Scheme

The Pre-IPO Share Option Scheme was adopted by the Company on 11 May 2016 and expired on 10 May 2024 (i.e. 8 years from its adoption date). 13,061,735 share options were granted under Pre-IPO Share Option Scheme on 19 May 2016 (the "2016 Share Options").

The purpose of the Pre-IPO Share Option Scheme is to recognise the contribution of, and to provide an incentive to, certain key staff of the Group who have contributed or will contribute to the Group, in order to motivate and retain them for the operation and development of the Group.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Details of the 2016 Share Options movements under the Pre-IPO Share Option Scheme during the Period are as follows:

Name or category of grantees	Date of grant	Exercise Price		Number of share options					Balance as at 30.09.2024
		(Note 1) (HK\$)	Exercise Period	Balance as at 01.04.2024	Granted during the Period	Exercised during the Period	Lapsed during the Period	Cancelled during the Period	
Directors									
<i>2nd vesting period</i>									
CHOW Wai Hung Kenneth	19/5/2016	0.09	1/1/2020-10/5/2024	1,131,253	—	(1,131,253)	—	—	—
CHEUNG Tei Sing Jamie	19/5/2016	0.09	1/1/2020-10/5/2024	645,717	—	(645,717)	—	—	—
Total				1,776,970	—	(1,776,970)	—	—	—

Notes:

- As set out in Appendix IV to the prospectus of the Company dated 15 March 2017, in the event of substantial capital distribution, exercise price of the 2016 Share Options was adjusted from HK\$0.16 to HK\$0.09 during the year ended 31 March 2024.
- The weighted average price of the Shares immediately before the dates of exercise of the 2016 Share Options during the Period was approximately HK\$0.70 per Share.

No options were granted/vested/cancelled/lapsed under the Pre-IPO Share Option Scheme during the Period.

2023 Share Option Scheme

The Company has adopted the share option scheme pursuant to a resolution passed on 15 September 2023 (the “2023 Share Option Scheme”). Subject to early termination by the Company in a general meeting or otherwise in accordance with the terms of the 2023 Share Option Scheme, the 2023 Share Option Scheme shall be valid and effective for a period of 10 years commencing on the adoption date and will expire on 14 September 2033. Under the 2023 Share Option Scheme, the share options shall only be granted to eligible employees of the Group. Eligible employees mean any employees (whether full time or part time, including any Directors but excluding any independent non-executive Directors) of the Company or any of its subsidiaries, including persons who are granted options under the 2023 Share Option Scheme as inducement to enter into employment contracts of the Group. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option within a period specified in the grant letter which shall not be later than twenty-one days from the date of offer.

The 2023 Share Option Scheme is an incentive scheme and is established to recognise, motivate and provide incentives to those who make contributions to the Group. The purpose of the 2023 Share Option Scheme is to attract and retain the best available high calibre personnel of the Group, to provide additional incentives to eligible employees who have contributed or will contribute to the Group, to promote the overall success of the business of the Group and to encourage eligible employees to work towards enhancing the value of the Company and the Shares for the benefit of the Company and the Shareholders as a whole.

On 18 December 2023, 11,700,000 share options under the 2023 Share Option Scheme (the “2023 Share Options”) were granted to eligible employees of the Group (the “2023 Grantees”). Each 2023 Share Option shall entitle the 2023 Grantee of such 2023 Share Option to subscribe for one Share upon exercise of such 2023 Share Option at an exercise price of HK\$0.72 per Share. The closing price of the shares immediately before the date on which the 2023 Share Options were granted was HK\$0.72 per Share. There is neither performance target nor clawback mechanism attached to the 2023 Share Options. The option period of the 2023 Share Options shall be five years from 18 December 2023, and the 2023 Share Options shall lapse at the expiry of the validity period or earlier under certain circumstances as set out in the 2023 Share Option Scheme.

No 2023 Share Options can be exercised within the first 12 months from 18 December 2023. Each 2023 Grantee will be able to exercise the 2023 Share Options during the following option period: (i) the vesting period of first 33% of 2023 Share Options is from 18 December 2023 to 17 December 2024 and can be exercised at any time after the expiration of 12 months from 18 December 2023 to 17 December 2028; (ii) the vesting period of second 33% of 2023 Share Options is from 18 December 2023 to 17 December 2025 and can be exercised at any time after the expiration of 24 months from 18 December 2023 to 17 December 2028; and (iii) the vesting period of remaining 34% of 2023 Share Options is from 18 December 2023 to 17 December 2026 and can be exercised at any time after the expiration of 36 months from 18 December 2023 to 17 December 2028.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Details of the 2023 Share Options movements under the 2023 Share Option Scheme during the Period are as follows:

Name or category of grantees	Date of grant	Fair value of options at the date of grant (HK\$)	Exercise Price (HK\$)	Exercise Period	Number of share options					
					Balance as at 01.04.2024	Granted during the Period	Exercised during the Period	Lapsed during the Period	Cancelled during the Period	Balance as at 30.9.2024
Directors										
CHOW Wai Hung Kenneth	18/12/2023	88,236	0.72	18/12/2024-17/12/2028	231,000	—	—	—	—	231,000
	18/12/2023	91,616	0.72	18/12/2025-17/12/2028	231,000	—	—	—	—	231,000
	18/12/2023	97,490	0.72	18/12/2026-17/12/2028	238,000	—	—	—	—	238,000
LEUNG Lim Ng Jenny (Note)	18/12/2023	47,583	0.72	18/12/2024-17/12/2028	148,500	—	—	—	—	148,500
	18/12/2023	46,279	0.72	18/12/2025-17/12/2028	148,500	—	—	—	—	148,500
	18/12/2023	45,578	0.72	18/12/2026-17/12/2028	153,000	—	—	—	—	153,000
WONG C-Tsun (Note)	18/12/2023	47,583	0.72	18/12/2024-17/12/2028	148,500	—	—	—	—	148,500
	18/12/2023	46,279	0.72	18/12/2025-17/12/2028	148,500	—	—	—	—	148,500
	18/12/2023	45,578	0.72	18/12/2026-17/12/2028	153,000	—	—	—	—	153,000
Subtotal					1,600,000	—	—	—	—	1,600,000
Other Eligible Employees										
In aggregate	18/12/2023	1,067,962	0.72	18/12/2024-17/12/2028	3,333,000	—	—	(99,000)	—	3,234,000
	18/12/2023	1,038,708	0.72	18/12/2025-17/12/2028	3,333,000	—	—	(99,000)	—	3,234,000
	18/12/2023	1,022,979	0.72	18/12/2026-17/12/2028	3,434,000	—	—	(102,000)	—	3,332,000
Total					11,700,000	—	—	(300,000)	—	11,400,000

Note: Ms. LEUNG Lim Ng Jenny and Mr. WONG C-Tsun were appointed as executive Directors on 10 September 2024.

Save as disclosed above, no 2023 Share Option were granted, vested, exercised, cancelled or lapsed under the 2023 Share Option Scheme during the Period. The 2023 Share Option Scheme has a remaining life of approximately 8.8 years as at the date of this report.

The total number of Shares available for issue in respect of the 2023 Share Options under the 2023 Share Option Scheme is 11,400,000, which represents approximately 7.7% of the Shares in issue as at the date of this report.

The ratio of the number of Shares issuable in respect of the 2023 Share Options (i.e. 11,400,000 Shares), divided by the weighted average number of shares issued (excluding treasury shares) during the Period (i.e. 147,013,045 Shares) is approximately 7.8%.

The number of options available for grant under the 2023 Share Option scheme was 2,619,029, representing approximately 1.8% of the Shares in issue as at 1 April 2024. The number of options available for grant under the 2023 Share Option scheme was 2,919,029, representing approximately 2.0% of the Shares in issue as at 30 September 2024 and up to the date of this report.

As at the date of this report, the total number of Shares under the 2023 Share Option Scheme (including the Shares available for issue in respect of the 2023 Share Options granted but not yet exercised and the options which may be granted) was 14,319,029, representing 9.7% of the Shares in issue.

RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as share option schemes disclosed above, at no time during the Period and up to the date of this report was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate. Save as disclosed above, at no time during the Period had the Directors and the chief executive (including their spouses and children under 18 years of age) any interest in, or been granted or exercised, any rights to subscribe for the shares (or warrants or debentures, as applicable) of the Company or any of its associated corporations (within the meaning of the SFO).

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.

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 if prepared for publication, quarterly reports of the Group, making recommendations to the Board on the appointment and dismissal

CORPORATE GOVERNANCE AND OTHER INFORMATION

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, Crowe (HK) CPA Limited (“Crowe”), to review the Group’s unaudited condensed consolidated financial statements for the Period. Based on Crowe’s review, nothing has come to Crowe’s attention that causes Crowe 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 and the interim report 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.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available and within the knowledge of the Directors, the Company has maintained sufficient public float in its shares as at the latest practicable date prior to the issue of this report.

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

Hong Kong, 26 November 2024

As at the date of this report, the executive Directors are Mr. SABINE Martin Nevil, Mr. CHEUNG Tei Sing Jamie, Mr. CHOW Wai Hung Kenneth, Ms. LEUNG Lim Ng Jenny and Mr. WONG C-Tsun; the independent non-executive Directors are Mr. CHENG Yuk Wo, Mr. YUEN Kam Tim Francis and Mr. LAW Cheuk Kin Stephen.