
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Somerley Capital Holdings Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or to the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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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)

**PROPOSALS FOR GENERAL MANDATES
TO ISSUE NEW SHARES AND TO REPURCHASE SHARES,
PAYMENT OF A FINAL DIVIDEND OUT OF SHARE PREMIUM
ACCOUNT, RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of Somerley Capital Holdings Limited (the “Company”) to be held at Suites 903–905, 9th Floor, Shui On Centre, 6–8 Harbour Road, Wanchai, Hong Kong on Thursday, 12 September 2019 at 11:30 a.m. is set out on pages 16 to 21 of this circular. A form of proxy for use at the AGM is enclosed with this circular.

Whether or not you are able to attend the AGM, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company’s branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM should you so wish.

This circular will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting and on the website of the Company at www.somerleycapital.com.

CHARACTERISTICS OF GEM OF 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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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM”	the annual general meeting of the Company to be held at Suites 903–905, 9th Floor, Shui On Centre, 6–8 Harbour Road, Wanchai, Hong Kong on Thursday, 12 September 2019 at 11:30 a.m. to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 16 to 21 of this circular, or any adjournment thereof
“Articles”	the articles of association of the Company
“Board”	the board of Directors
“Close Associate(s)”	has the meaning ascribed to such term in the GEM Listing Rules
“Company”	Somerley Capital Holdings Limited (新百利融資控股有限公司), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on GEM
“Companies Law”	The Companies Law, Cap. 22 (Law 3 of 1961 as consolidated and revised) of the Cayman Islands
“Core Connected Person(s)”	has the meaning ascribed to such term in the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“Extended Mandate”	a general mandate to add the aggregate number of Shares repurchased by the Company under the Repurchase Mandate to the Issue Mandate, subject to a maximum of 10% of the issued Shares as at the date of passing of the relevant resolution granting such mandate
“Final Dividend”	the proposed final dividend of HK5.0 cents per Share for the year ended 31 March 2019 as recommended by the Board
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandates”	the Issue Mandate, the Repurchase Mandate and the Extended Mandate
“Group”	the Company and its subsidiaries
“HK\$” or “Hong Kong dollar(s)”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	the general mandate proposed to be granted to the Directors at the AGM to exercise the power of the Company to allot, issue and deal with new Shares up to a maximum of 20% of the issued Shares as at the date of passing of the ordinary resolution granting such mandate
“Latest Practicable Date”	24 June 2019 being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular prior to its publication
“Pre-IPO Share Option Scheme”	the share option scheme approved and adopted by the Company on 11 May 2016
“Repurchase Mandate”	the general mandate proposed to be granted to the Directors at the AGM to exercise the power of the Company to repurchase Shares up to a maximum of 10% of the issued Shares as at the date of passing of the ordinary resolution granting such mandate
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Premium Account”	the share premium account of the Company, the amount standing to the credit of which was approximately HK\$64.8 million as at 31 March 2019 based on the audited consolidated financial statements of the Company as at that date
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs of Hong Kong
“%”	per cent



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)

Executive Directors:

Mr. SABINE Martin Nevil (*Chairman*)

Mr. CHEUNG Tei Sing Jamie

Mr. CHOW Wai Hung Kenneth

Independent Non-executive Directors:

Mr. CHENG Yuk Wo

Mr. YUEN Kam Tim Francis

Mr. LAW Cheuk Kin Stephen

Registered Office:

Cricket Square

Hutchins Drive

PO Box 2681

Grand Cayman

KY1-1111, Caymans Islands

*Headquarters, Head Office and
Principal Place of Business
in Hong Kong:*

20th Floor

China Building

29 Queen's Road Central

Central

Hong Kong

28 June 2019

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR GENERAL MANDATES
TO ISSUE NEW SHARES AND TO REPURCHASE SHARES,
PAYMENT OF A FINAL DIVIDEND OUT OF SHARE PREMIUM
ACCOUNT, RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to: (i) provide you with information regarding certain resolutions to be put forward at the AGM including details of the proposed grant of the General Mandates to issue and repurchase Shares; and the payment of Final Dividend for the year ended 31 March 2019 out of Share Premium Account; (ii) set out an explanatory statement regarding the Repurchase Mandate; (iii) provide you with details of the proposed re-election of retiring Directors; and (iv) give you notice of the AGM.

LETTER FROM THE BOARD

PROPOSED GRANT OF THE GENERAL MANDATES

(a) Issue Mandate and Extended Mandate

At the AGM, ordinary resolutions will be proposed to grant to the Directors a general and unconditional mandate to exercise the powers of the Company (i) to allot, issue and deal with Shares not exceeding 20% of the issued Shares as at the date of passing of the relevant resolution at the AGM; and (ii) to add the aggregate number of Shares repurchased by the Company under the Repurchase Mandate to the Issue Mandate, subject to a maximum of 10% of the issued Shares as at the date of passing of the relevant resolution. As at the Latest Practicable Date, a total of 140,988,555 Shares were in issue. Subject to the passing of the proposed resolution granting the Issue Mandate to the Directors and on the assumption that there is no variation to the issued Shares during the period from the Latest Practicable Date to the date of the AGM, the Company will be allowed under the Issue Mandate to issue a maximum of 28,197,711 Shares.

(b) Repurchase Mandate

An ordinary resolution will be proposed at the AGM to grant to the Directors a general and unconditional mandate to exercise all powers of the Company to repurchase, on the Stock Exchange, or on any other stock exchange on which the Shares may be listed, Shares not exceeding 10% of the issued Shares as at the date of passing of the relevant resolution at the AGM.

In accordance with the requirements of the GEM Listing Rules, an explanatory statement is set out in Appendix I to this circular containing all the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the granting of the Repurchase Mandate.

PROPOSED PAYMENT OF FINAL DIVIDEND OUT OF SHARE PREMIUM ACCOUNT

The Board has recommended declaration and payment of a final dividend of HK5.0 cents per Share out of the Share Premium Account for the year ended 31 March 2019, subject to the Shareholders' approval at the AGM. As at the Latest Practicable Date, the Company has 140,988,555 Shares in issue. Based on the number of issued Shares as at the Latest Practicable Date, the Final Dividend, if declared and paid, will amount to an aggregate amount of approximately HK\$7.0 million. Subject to the fulfilment of the conditions set out in the paragraph headed "Conditions of the Payment of Final Dividend out of Share Premium Account" below, the Final Dividend is intended to be paid out of the Share Premium Account pursuant to Article 134 of the Articles and in accordance with the Companies Law.

As at 31 March 2019, based on the audited consolidated financial statements of the Company, the amount standing to the credit of the Share Premium Account was approximately HK\$64.8 million. Following the payment of the Final Dividend, there will be a remaining balance of approximately HK\$57.8 million standing to the credit of the Share Premium Account.

LETTER FROM THE BOARD

(a) Conditions of the Payment of Final Dividend out of Share Premium Account

The payment of the Final Dividend out of the Share Premium Account is conditional upon the satisfaction of the following conditions:

- (a) the passing of an ordinary resolution by the Shareholders declaring and approving the payment of the Final Dividend out of the Share Premium Account pursuant to Article 134 of the Articles; and
- (b) the Directors being satisfied that there are no reasonable grounds for believing that the Company is, immediately following the date on which the Final Dividend is paid, unable to pay its debts as they fall due in the ordinary course of business.

Subject to the fulfilment of the above conditions, it is expected that the Final Dividend will be paid in cash on or about Thursday, 26 September 2019 to those Shareholders whose names appear on the register of members of the Company at close of business on Wednesday, 18 September 2019, being the record date for determination of entitlements to the Final Dividend.

The conditions set out above cannot be waived. If the conditions set out above are not satisfied, the Final Dividend will not be paid.

(b) Reasons for and effect of the payment of Final Dividend out of Share Premium Account

The Board considers it is appropriate to distribute the Final Dividend in recognition of the profitability of the Group and Shareholders' support.

After taking into account a number of factors including cash flow and financial condition of the Company, the Board considers it is appropriate and proposes that Final Dividend be paid out of the Share Premium Account in accordance with Article 134 of the Articles and the Companies Law. The Board considers such arrangement to be in the interests of the Company and its Shareholders as a whole.

The Board believes that the payment of the Final Dividend will not have any material adverse effect on the underlying assets, business, operations or financial position of the Group and does not involve any reduction in the authorised or issued share capital of the Company or reduction in the nominal value of the Shares or result in any change in the trading arrangements in respect of the Shares.

(c) Record date for determining entitlements to the Final Dividend

The Final Dividends are payable to the Shareholders whose names appear on the register of members of the Company at close of business on Wednesday, 18 September 2019, being the record date for determination of entitlement to the Final Dividends. In order to qualify for the Final Dividend, all transfer forms accompanied by relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Union Registrars

LETTER FROM THE BOARD

Limited, at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong for registration not later than 4:00 p.m. on Wednesday, 18 September 2019.

PROPOSED RE-ELECTION OF DIRECTORS

Pursuant to article 83 of the Articles, Directors appointed by the Board shall hold office only until the next following general meeting and shall be eligible for re-election. Accordingly, Mr. LAW Cheuk Kin Stephen shall hold office only until the AGM and, being eligible, offers himself for re-election at the AGM.

By virtue of article 84 of the Articles, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. Accordingly, Mr. SABINE Martin Nevil and Mr. YUEN Kam Tim Francis will retire and, being eligible, offer themselves for re-election at the AGM.

The Board has received confirmation from Mr. YUEN Kam Tim Francis and Mr. LAW Cheuk Kin Stephen, being independent non-executive Directors eligible for re-election at the AGM, regarding their independence. Taking into account the factors set out in Rule 5.09 of the GEM Listing Rules, the Board considers that each of Mr. YUEN Kam Tim Francis and Mr. LAW Cheuk Kin Stephen continues to be independent. The Board considers that Mr. YUEN Kam Tim Francis and Mr. LAW Cheuk Kin Stephen have satisfactorily discharged their duties since their appointment and believes their re-appointment as independent non-executive Directors at the AGM would contribute to the corporate governance standards of the Group.

In respect of the re-election of Mr. YUEN Kam Tim Francis as independent non-executive Director, Mr. YUEN Kam Tim Francis is a fellow member of the Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators, and he has comprehensive knowledge and experience in diversified financial services, manufacturing, media and travel services, particularly in the aspect of company secretarial matters. Therefore, he is able to provide valuable advice for enhancing the Company’s corporate governance.

In respect of the re-election of Mr. LAW Cheuk Kin Stephen as independent non-executive Director, Mr. LAW Cheuk Kin Stephen was a member of the executive directorate of MTR Corporation Limited. Apart from his extensive accounting and finance knowledge, he has comprehensive experience in corporate management that contributes to the expertise, continuity and stability to the Board as well as the overall corporate governance of the Company.

LETTER FROM THE BOARD

The Board considers the election of Mr. YUEN Kam Tim Francis and Mr. LAW Cheuk Kin Stephen will promote the diversity of the Board in skills and experience and enhance the standards of compliance of the Company. Therefore, the Board recommends the Shareholders to re-elect Mr. YUEN Kam Tim Francis and Mr. LAW Cheuk Kin Stephen as independent non-executive Directors at the AGM.

Pursuant to Rule 17.46A of the GEM Listing Rules, a listed issuer shall disclose the details required under Rule 17.50(2) of the GEM Listing Rules concerning any director(s) proposed to be re-elected or proposed new director in the notice or accompanying circular to its shareholders of the relevant general meeting, if such re-election or appointment is subject to shareholders' approval at that relevant general meeting. The requisite details of the above retiring Directors are set out in Appendix II to this circular.

AGM AND PROXY ARRANGEMENT

The notice of the AGM is set out on pages 16 to 21 of this circular. At the AGM, resolutions will be proposed to approve, *inter alia*, the granting of the General Mandates, the payment of the Final Dividend out of the Share Premium Account and the re-election of Directors.

In order to be eligible to attend and vote at the AGM, all transfers of Shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration not later than 4:00 p.m. on Thursday, 5 September 2019.

Pursuant to the GEM Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. An announcement on the poll vote results will be made by the Company after the AGM in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published on the GEM website (www.hkgem.com) and the Company's website (www.somerleycapital.com) respectively. Whether or not you are able to attend the AGM, please complete and sign the form of proxy in accordance with the instructions printed thereon and return it, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority, to the Company's branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof if you so wish and in such event the form of proxy shall be deemed to be revoked.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

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

RECOMMENDATION

The Directors consider that the granting of the General Mandates, the payment of the Final Dividend out of the Share Premium Account and the re-election of Directors are in the best interests of the Group and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

GENERAL INFORMATION

Your attention is drawn to the additional information set out in Appendix I (Explanatory Statement on the Repurchase Mandate) and Appendix II (Details of the retiring Directors proposed to be re-elected at the AGM) to this circular.

Yours faithfully,
by order of the Board
Somerley Capital Holdings Limited
SABINE Martin Nevil
Chairman

APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

This Appendix serves as an explanatory statement, as required by the GEM Listing Rules, to be sent to the Shareholders to enable them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the AGM in relation to the granting of the Repurchase Mandate.

1. ISSUED SHARES

As at the Latest Practicable Date, there were 140,988,555 Shares in issue.

Subject to the passing of the ordinary resolution set out in resolution no. 7 of the notice of the AGM in respect of the granting of the Repurchase Mandate and on the assumption that there is no variation to the issued Shares during the period from the Latest Practicable Date to the date of the AGM, the Directors would be authorised under the Repurchase Mandate to repurchase, during the period in which the Repurchase Mandate remains in force, a maximum of 14,098,855 Shares, representing approximately 10% of the issued Shares as at the date of the AGM.

2. REASONS FOR REPURCHASE OF SHARES

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders as a whole.

Repurchases of Shares may, depending on market conditions and funding arrangements at the time, result in an enhancement of the net asset value per Share and/or earnings per Share. The Directors are seeking the grant of the Repurchase Mandate to give the Company the flexibility to repurchase Shares if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Articles and the applicable laws of the Cayman Islands.

4. IMPACT OF REPURCHASES

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the most recent published audited accounts of the Company) in the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period.

However, the Directors do not intend to exercise the Repurchase Mandate to such extent as would in the circumstances have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. TAKEOVERS CODE

If, on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder’s proportionate interest in the voting rights of the Company increases, such increase may be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code for all the Shares not already owned by such Shareholder or a group of Shareholders.

As at the Latest Practicable Date and insofar as the Directors are aware, the following substantial Shareholders have interests in the Company as follows:

Name of Shareholders	Number of Shares held	Approximate percentage of existing shareholding	Approximate percentage of shareholding if Repurchase Mandate is exercised in full
Somerley Group Limited (<i>Note 1</i>)	93,833,350	66.55%	73.95%
SABINE Martin Nevil (“Mr. Sabine”) (<i>Notes 1 and 2</i>)	96,712,507	68.60%	76.22%
SABINE Maureen Alice (“Dr. Sabine”) (<i>Note 3</i>)	96,712,507	68.60%	76.22%
FLETCHER John Wilfred Sword (“Mr. Fletcher”) (<i>Notes 1 and 2</i>)	96,712,507	68.60%	76.22%
FLETCHER Jacqueline (“Mrs. Fletcher”) (<i>Note 4</i>)	96,712,507	68.60%	76.22%
CHEUNG Tei Sing Jamie (“Mr. Cheung”) (<i>Notes 1 and 2</i>)	96,712,507	68.60%	76.22%
CHOI Helen Oi Yan (“Mrs. Cheung”) (<i>Note 5</i>)	96,712,507	68.60%	76.22%

Notes:

1. Somerley Group Limited is directly interested in 93,833,350 Shares and Somerley Group Limited is wholly-owned by Mr. Sabine, Mr. Fletcher, Mr. Cheung and Ms. Fong Sau Man Cecilia, of whom Mr. Sabine, Mr. Fletcher and Mr. Cheung are acting in concert in respect of their interests in the Company. 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. 645,717 Shares represent the share options granted to Mr. Cheung by the Company under the Pre-IPO Share Option Scheme. As Mr. Sabine, Mr. Fletcher and Mr. Cheung are acting in concert in respect of their interests in the Company, 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.

APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

3. 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.
4. 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.
5. 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.

The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchases to be made under the Repurchase Mandate. As at the Latest Practicable Date, so far as is known to the Directors, no Shareholder may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code in the event that the Directors exercise the power in full to repurchase Shares pursuant to the Repurchase Mandate. The Directors will exercise the powers conferred by the Repurchase Mandate to repurchase Shares in circumstances which they deem appropriate for the benefit of the Company and the Shareholders as a whole. However, the Directors have no intention to exercise the Repurchase Mandate to the extent that the number of Shares in the hands of the public would fall below the prescribed minimum percentage of 25%.

6. GENERAL

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their respective Close Associates, have any present intention to sell any Shares to the Company in the event that the grant of the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases of Shares pursuant to the Repurchase Mandate in accordance with the GEM Listing Rules and the applicable laws of the Cayman Islands.

The Company has not been notified by any Core Connected Persons that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the grant of the Repurchase Mandate is approved by the Shareholders.

7. REPURCHASES OF SHARES MADE BY THE COMPANY

No repurchases of Shares have been made by the Company in the six months preceding the Latest Practicable Date, whether on the Stock Exchange or otherwise.

8. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which the Shares have traded on GEM during each of the previous twelve months and up to the Latest Practicable Date were as follows:

Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2018		
June	1.830	1.510
July	1.800	1.520
August	1.900	1.510
September	1.980	1.400
October	1.700	1.650
November	1.690	1.190
December	1.400	1.020
2019		
January	1.550	1.250
February	1.700	1.550
March	1.680	1.630
April	1.800	1.400
May	1.990	1.490
June (up to the Latest Practicable Date)*	N/A	N/A

* No deals of the Shares have been made from 1 June 2019 up to the Latest Practicable Date.

Pursuant to the GEM Listing Rules, the details of the Directors who will retire at the AGM according to the Articles and will be proposed to be re-elected at the AGM are provided below:

Executive Director

Mr. SABINE Martin Nevil (“Mr. Sabine”), aged 71, was appointed as a Director on 21 April 2016 and designated as an executive Director and appointed as the chairman of the Company on 9 March 2017. He is the chairman of Somerley Capital Limited, a wholly-owned subsidiary of the Company. He is also the chairman of the nomination committee of the Company and the compliance officer of the Company. Mr. Sabine is responsible for overseeing business development of the Group, cultivating long-term client relationship, introducing new clients and projects, monitoring industry developments and liaising with team heads and members on specific transactions. He graduated with a Bachelor of Arts degree from the University of Oxford in July 1969. He was awarded a Thouron Scholarship to attend the Wharton Graduate School of Business of the University of Pennsylvania in that year. He received a Master’s Degree in Business Administration from the Wharton Graduate School of Business and was elected to the Beta Gamma Sigma honour society in April 1971.

After graduation, Mr. Sabine worked in the financial field in London before coming to Hong Kong in 1977. After working in the corporate finance department of Wardley Limited, a wholly-owned subsidiary of The Hongkong and Shanghai Banking Corporation Limited, until 1983, latterly as a director, he set up Somerley International Limited in 1983. Since that time, Somerley International Limited and now Somerley Capital Limited have developed into one of the most active firms in the corporate finance advisory field in Hong Kong. Mr. Sabine is the ultimate controlling shareholder of the Company and Somerley Capital Limited. He has acted as a Responsible Officer for Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities and a Principal since 2 October 2013.

Mr. Sabine has written a book on corporate finance (entitled Corporate Finance: Flotations, Equity Issues and Acquisitions), which has been translated into Chinese, Italian and Spanish. Mr. Sabine is a member of the Takeovers and Mergers Panel and a fellow of the Hong Kong Securities and Investment Institute.

Mr. Sabine has renewed a service agreement with the Company for a term of 3 years commencing on 28 March 2017. He is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles. Pursuant to the terms of his service agreement, Mr. Sabine is entitled to a remuneration of HK\$3,936,000 per annum which was determined with reference to his duties and responsibilities with the Company, and in respect of each financial year during the appointment, a discretionary bonus of a sum to be determined by the remuneration committee of the Company and approved by the Board at its absolute discretion having regard to the operating results of the Group and performance of Mr. Sabine.

Mr. Sabine, Mr. FLETCHER John Wilfred Sword (“**Mr. Fletcher**”) and Mr. CHEUNG Tei Sing Jamie (“**Mr. Cheung**”) are shareholders of Somerley Group Limited (“**SGL**”). Mr. Sabine, Mr. Fletcher and Mr. Cheung are the controlling Shareholders as they are acting in concert in respect of their interests in the Company.

As at the Latest Practicable Date, Mr. Sabine is interested in 96,712,507 Shares, among which 93,833,350 Shares are held by SGL, 645,717 Shares are the share options granted to Mr. Cheung by the Company under the share option scheme adopted by the Company on 11 May 2016 and 2,233,440 Shares are the Shares held by Mr. Cheung. Save as disclosed, Mr. Sabine does not have any other interests in the Shares or underlying Shares within the meaning of Part XV of the SFO.

Independent non-executive Directors

Mr. YUEN Kam Tim Francis (“Mr. Yuen”), aged 65, was appointed as the independent non-executive Director on 9 March 2017. He is also the chairman of the remuneration committee, a member of the audit committee and nomination committee of the Company. Mr. Yuen is currently a director of Saning Consultants Limited, a consultancy company. He was the managing director of Union Registrars Limited from 2004 to 2014. Prior to this, he had been a director and company secretary of South China Holdings Limited, the businesses of which included diversified financial services in securities and commodities brokerage, manufacturing, media and travel services, for 14 years from 1989 to 2003. He had also served in Sun Hung Kai Securities Limited, a leading Hong Kong securities brokerage and financial service company, for 10 years from 1979 to 1989, where he headed the secretarial and share registration departments. He has been a fellow member of the Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators, the United Kingdom since August 1994 and April 1989 respectively and was awarded the Chartered Governance Professional Qualification in September 2018.

Mr. Yuen was a director of Mei Cheong Yeong Hong (H.K.) Limited, which was incorporated in Hong Kong prior to its compulsory winding up. Mr. Yuen had never been actively involved in the management of Mei Cheong Yeong Hong (H.K.) Limited.

Mr. Yuen has entered into a service agreement with the Company for a term of 3 years commencing on 28 March 2017. He is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles. Pursuant to the terms of his service agreement, Mr. Yuen is entitled to a remuneration of HK\$240,000 per annum which was determined with reference to his duties and responsibilities with the Company.

As at the Latest Practicable Date, Mr. Yuen did not have any interests in Shares and underlying Shares within the meaning of Part XV of the SFO.

Mr. LAW Cheuk Kin Stephen (“Mr. Law”), aged 56, was appointed as an independent non-executive Director on 15 February 2019. He is also a member of the audit committee and nomination committee of the Company. Mr. Law is currently the managing director of ANS Capital Limited, an investment holding company. He is also currently an independent

non-executive director of China Everbright Limited (stock code: 165), a member of the board of directors of SOW (Asia) Foundation and a council member of Hong Kong Business Accountants Association. Mr. Law served as the finance director and a member of the executive directorate of MTR Corporation Limited (stock code: 66) (“MTR”) from July 2013 to July 2016. Prior to joining MTR, he was the chief financial officer of Guoco Group Limited (stock code: 53). Prior to that, Mr. Law had served as the managing director of TPG Growth Capital (Asia) Limited and had also held various senior positions in the Morningside Group and the Wheelock Group. He was also previously, from March 2011 to September 2012, a non-executive director of China NT Pharma Group Company Limited (stock code: 1011), from June 2010 to September 2012, an alternate director in MIE Holdings Corporation (stock code: 1555) and, from July 2016 to September 2018, an independent non-executive director of AAG Energy Holdings Limited (stock code: 2686). He was a council member of the Hong Kong Institute of Certified Public Accountants from 2010 to 2017 and also served as an adjunct professor of Hong Kong Polytechnic University from 2015 to 2017. He is currently a member of the Hong Kong Institute of Certified Public Accountants and a member of the Institute of Chartered Accountants in England and Wales. Besides, Mr. Law has been appointed by the Ministry of Finance of the People’s Republic of China (the “MOF”) as an expert consultant to provide advice on finance and management accounting to the MOF. Mr. Law holds a Bachelor’s degree in Science (Civil Engineering) from the University of Birmingham, the United Kingdom and also received a Master’s degree in Business Administration from the University of Hull, the United Kingdom.

Mr. Law has entered into a service agreement with the Company for a term of 3 years commencing on 15 February 2019. He is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles. Pursuant to the terms of his service agreement, Mr. Law is entitled to a remuneration of HK\$240,000 per annum which was determined with reference to his duties and responsibilities with the Company.

As at the Latest Practicable Date, Mr. Law did not have any interests in Shares and underlying Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Sabine, Mr. Yuen and Mr. Law (i) do not hold any other position with the Company or any of its subsidiaries; (ii) did not hold any other directorships in any other public companies the securities of which are listed on any security market in Hong Kong or overseas in the three years prior to the date hereof; (iii) do not hold any other major appointment or professional qualification; and (iv) do not have any relationship with other Directors, senior management or substantial or controlling Shareholders (as defined under the GEM Listing Rules).

Save as disclosed above, there are no other matters concerning Mr. Sabine, Mr. Yuen and Mr. Law that need to be brought to the attention of the Shareholders nor is there any information required to be disclosed pursuant to the requirements of Rule 17.50(2)(h) to (v) of the GEM Listing Rules.



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)

NOTICE IS HEREBY GIVEN that the annual general meeting (the “AGM”) of Somerley Capital Holdings Limited (the “Company”) will be held at Suites 903–905, 9th Floor, Shui On Centre, 6–8 Harbour Road, Wanchai, Hong Kong on Thursday, 12 September 2019 at 11:30 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the directors and auditor of the Company for the year ended 31 March 2019;
2. (a) To approve the declaration and payment of a final dividend of HK5.0 cents per share of the Company out of the share premium account of the Company (the “Final Dividend”) to shareholders of the Company whose names appear on the register of members of the Company on the record date fixed by the board of directors of the Company for determining the entitlements to the Final Dividend;

(b) To authorise any director of the Company to take such action, do such things and execute such further documents as the director of the Company may at his absolute discretion consider necessary or desirable for the purpose of or in connection with the implementation of the payment of the Final Dividend;
3. (a) To re-elect Mr. SABINE Martin Nevil as an executive director of the Company;

(b) To re-elect Mr. YUEN Kam Tim Francis as an independent non-executive director of the Company;

(c) To re-elect Mr. LAW Cheuk Kin Stephen as an independent non-executive director of the Company;
4. To authorise the board of directors of the Company to fix the remuneration of the directors of the Company;
5. To re-appoint SHINEWING (HK) CPA Limited as auditor of the Company and to authorise the board of directors of the Company to fix its remuneration;

NOTICE OF ANNUAL GENERAL MEETING

As special business, to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

6. **“THAT**

- (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and otherwise deal with additional shares or securities convertible into shares, options, warrants or similar rights to subscribe for any shares, and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of shares of the Company allotted and issued or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the directors of the Company pursuant to the approval in paragraph above, otherwise than pursuant to
 - (i) a Rights Issue (as hereinafter defined); or
 - (ii) the exercise of options under any share option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares of the Company or right to acquire shares of the Company; or
 - (iii) any scrip dividend or similar arrangements providing for the allotment of shares of the Company in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company in force from time to time; or
 - (iv) any issue of shares of the Company upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into shares of the Company,shall not exceed 20% of the shares of the Company in issue on the date of the passing of this resolution and the said approval shall be limited accordingly;
- (d) for the purpose of this resolution, “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;

NOTICE OF ANNUAL GENERAL MEETING

- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law of the Cayman Islands to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.

“Rights Issue” means an offer of shares of the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the directors of the Company to holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

7. **“THAT**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase shares of the Company on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for such purpose, subject to and in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange, the Companies Law (as revised) of the Cayman Islands and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate number of shares of the Company which may be repurchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the issued shares of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) shall be limited accordingly;
- (c) for the purposes of this resolution, “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law of the Cayman Islands to be held; or

NOTICE OF ANNUAL GENERAL MEETING

(iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.”

8. “**THAT** conditional upon resolutions nos. 6 and 7 above being passed, the general mandate granted to the directors of the Company to exercise the powers of the Company to allot, issue and otherwise deal with shares of the Company pursuant to resolution no. 6 above be and hereby extended by the addition to the aggregate number of the shares of the Company which may be allotted by the directors of the Company pursuant to such general mandate of an amount representing the aggregate number of the shares of the Company repurchased by the Company under the authority granted pursuant to resolution no. 7 above, provided that such amount shall not exceed 10% of the issued shares of the Company at the date of passing of this resolution.”

Yours faithfully,
by order of the Board
Somerley Capital Holdings Limited
SABINE Martin Nevil
Chairman

Hong Kong, 28 June 2019

Registered office:
Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman
KY1-1111
Cayman Islands

*Headquarters, head office and
principal place of business
in Hong Kong:*
20th Floor
China Building
29 Queen’s Road Central
Central
Hong Kong

Notes:

- (a) In order to be eligible to attend and vote at the AGM, all transfers of shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company’s branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong for registration not later than 4:00 p.m. on Thursday, 5 September 2019.
- (b) Any member of the Company entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company. A member who is the holder of two or more shares of the Company may

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appoint more than one proxy to represent him to attend and vote on his behalf. If more than one proxy is so appointed, the appointment shall specify the number of shares in respect of which each such proxy is so appointed.

- (c) To be valid, a form of proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy thereof, must be lodged at the Company's branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for holding the AGM or any adjournment thereof (as the case may be).
- (d) Completion and return of the form of proxy shall not preclude members from attending and voting in person at the AGM or at any adjournment thereof (as the case may be) should they so wish, and in such case, the form(s) of proxy previously submitted by such member(s) shall be deemed to be revoked.
- (e) Where there are joint registered holders of any share(s) of the Company, any one of such persons may vote at the AGM, either in person or by proxy, in respect of such share(s) as if he were solely entitled thereto; but if more than one of such joint holders are present at the AGM personally or by proxy, the vote of that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share(s) shall be accepted to the exclusion of the votes of the other joint holders.
- (f) An explanatory statement containing further details regarding resolution no. 7 above is set out in Appendix I to the circular of which this notice of AGM forms part (the "Circular").
- (g) Details of the retiring directors of the Company are set out in Appendix II to the Circular.
- (h) A form of proxy for use at the AGM is published on the website of the Stock Exchange (www.hkgem.com) and the website of the Company (www.somerleycapital.com).
- (i) If Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in effect any time after 7:00 a.m. on the date of the AGM, the meeting will be postponed. The Company will post an announcement on the websites of the Company at www.somerleycapital.com and the Stock Exchange at www.hkgem.com to notify members of the date, time and place of the rescheduled meeting.
- (j) The Final Dividend is payable to the Shareholders whose names appear on the register of members of the Company at close of business on Wednesday, 18 September 2019, being the record date for determination of entitlement to the Final Dividend. In order to qualify for the Final Dividend, all transfer forms accompanied by relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square,

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338 King's Road, North Point, Hong Kong for registration not later than 4:00 p.m. on Wednesday, 18 September 2019. The Final Dividend will be paid in cash on or about Thursday, 26 September 2019.

As at the date of this notice, 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 notice will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting and will also be published on the Company's website at www.somerleycapital.com.