



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)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31 DECEMBER 2022

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

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This announcement, for which the directors of Somerley Capital Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company and its subsidiaries (together, the “Group”). The directors of the Company (the “Directors”), having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

THIRD QUARTERLY FINANCIAL HIGHLIGHTS

- The Group's total revenue decreased by approximately 22.6% to approximately HK\$42.2 million for the nine months ended 31 December 2022 (the "Period") from approximately HK\$54.5 million for the nine months ended 31 December 2021.
- Revenue generated from acting as financial adviser ("FA") and as independent financial adviser ("IFA") for the Period amounted to approximately HK\$22.4 million (2021: approximately HK\$35.5 million), accounting for approximately 53.1% of the Group's total revenue (2021: approximately 65.1%).
- Revenue generated from acting as compliance adviser ("CA") for the Period amounted to approximately HK\$19.6 million (2021: approximately HK\$18.7 million), accounting for approximately 46.4% of the Group's total revenue (2021: approximately 34.3%).
- For the Period, the Group recorded a loss after tax of approximately HK\$8.2 million (2021: profit after tax of approximately HK\$0.2 million). The loss was mainly due to the combined effects of the decrease in revenue of approximately HK\$12.3 million and the net decrease in total operating expenses.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS

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.

For the six months ended 30 September 2022, the general economic environment for Hong Kong corporate finance business was broadly unhelpful. Subdued Hong Kong IPOs and significant decrease in the volume of M&A transactions dampened the deal activities of the Group’s corporate finance advisory segment. The Group reported interim results of an after-tax loss of approximately HK\$9.4 million.

In response, in the third quarter of the financial year ending 31 March 2023, the Group increased its marketing efforts and tightened cost control. Stock market conditions in Hong Kong and China improved and morale was helped by a loosening of COVID restrictions in China, now confirmed.

	For the three months ended	
	31 December	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Corporate finance advisory fee income		
— from acting as financial adviser	3,737	4,311
— from acting as independent financial adviser	5,891	7,154
— from acting as compliance adviser	7,343	6,986
— others	—	250
	16,971	18,701
Other income	516	503
Fair value gain (loss) on financial asset at fair value through profit or loss	537	—
Total operating expenses	(16,804)	(19,036)
Profit before tax	1,220	168

For the third quarter of the financial year ending 31 March 2023, the Group recorded a profit before tax of approximately HK\$1.2 million (2021: approximately HK\$0.2 million). The most recent quarter results were helped by a fair value gain on financial assets of approximately HK\$0.5 million. Accordingly, the after-tax loss for the Period was reduced to approximately HK\$8.2 million.

The loss for the Period was mainly due to an approximately HK\$12.3 million decrease in revenue during the Period. The corporate finance advisory business segment recorded revenue of approximately HK\$42.2 million (2021: approximately HK\$54.5 million) and a segment loss before tax of approximately HK\$5.5 million (2021: profit before tax of approximately HK\$3.2 million). A segment loss before tax of approximately HK\$0.8 million (2021: approximately HK\$1.1 million) was incurred by the Group's asset management business segment during the Period.

Prospects

The welcome turnaround to profit for the third quarter of the financial year ending 31 March 2023 was the product of hard work amid generally improving conditions in the Hong Kong corporate finance market. The fourth quarter of the financial year ending 31 March 2023 includes the January Chinese New Year period when activity tends to slow somewhat. With a reasonable level of business in prospect for the months of February and March 2023, the Directors expect that the results for the second half of the financial year ending 31 March 2023 will show a significant improvement over the loss for the first half.

FINANCIAL REVIEW

Revenue

The Group's total revenue decreased by approximately 22.6% to approximately HK\$42.2 million for the Period from approximately HK\$54.5 million for the nine months ended 31 December 2021.

Revenue generated from acting as FA and as IFA for the Period amounted to approximately HK\$22.4 million (2021: approximately HK\$35.5 million), accounting for approximately 53.1% of the Group's total revenue (2021: approximately 65.1%). The decrease is mainly due to the unhelpful conditions for corporate finance advisory businesses and fierce fee competition.

Revenue generated from acting as CA for the Period amounted to approximately HK\$19.6 million (2021: approximately HK\$18.7 million), accounting for approximately 46.4% of the Group's total revenue (2021: approximately 34.3%). CA activities continue to provide a stable source of income to the Group, complementing the more fluctuating corporate finance advisory income.

Other Income

Other income mainly represented bank interest income, dividend income, management service fee income from Somerley Group Limited ("SGL") and reimbursement of other premise expenses from SGL.

Employee Benefits Costs

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

	For the nine months ended	
	31 December	
	2022	2021
	HK\$'000	HK\$'000
Fees, salaries, allowances and other benefits	36,170	36,579
Discretionary bonus	—	1,800
Contributions to the retirement benefits scheme	837	813
	<u>37,007</u>	<u>39,192</u>
Analysed as:		
— corporate holding	540	540
— corporate finance advisory (Hong Kong)	34,020	36,200
— corporate finance advisory (Beijing)	1,896	1,909
— asset management	551	543
	<u>37,007</u>	<u>39,192</u>

Employee benefits costs decreased by approximately 5.6% to approximately HK\$37.0 million for the Period from approximately HK\$39.2 million for the nine months ended 31 December 2021. This is primarily due to the absence of discretionary bonus.

Depreciation and Other Operating Expenses

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

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 nine months ended	
	31 December	
	2022	2021
	HK\$'000	HK\$'000
Depreciation of property and equipment	544	733
Depreciation of right-of-use asset	5,374	6,372
	5,918	7,105
Other premises expenses	1,522	1,530
Exchange loss, net	748	—
Recurring GEM listing expenses (excluding remuneration of independent non-executive directors)	1,435	1,212
Others	4,426	4,681
	14,049	14,528
Analysed as:		
— corporate holding	2,231	1,810
— corporate finance advisory (Hong Kong)	10,533	10,855
— corporate finance advisory (Beijing)	995	1,269
— asset management	290	594
	14,049	14,528

The Group's depreciation and other operating expenses decreased by approximately 3.4% to approximately HK\$14.0 million for the Period from approximately HK\$14.5 million for the nine months ended 31 December 2021. The net decrease was mainly due to the decrease in depreciation of right-of-use assets due to lower renewed rental.

Loss for the period

For the Period, the Group recorded a loss after tax of approximately HK\$8.2 million (2021: profit after tax of approximately HK\$0.2 million). The loss was mainly due to the combined effects of the decrease in revenue of approximately HK\$12.3 million and the net decrease in total operating expenses.

Future Plans for Material Investments or Capital Assets

As at 31 December 2022, the Group had no capital commitments. Save for the business plan disclosed in the prospectus of the Company dated 15 March 2017 (the “Prospectus”), the announcement of, among others, change in use of proceeds published on 22 June 2018 or as otherwise disclosed in this announcement, the Group did not have plans for making material investments or acquiring capital assets as at 31 December 2022.

As at 31 December 2022, the Group was committed a new lease agreement of 3 years in the People’s Republic of China (the “PRC”). Future lease payments under the agreement amount to approximately RMB706,000 (equivalent to approximately HK\$798,000) per annum (31 March 2022: nil).

Material Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures

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

Interim Dividend

The board of Directors (the “Board”) does not recommend the payment of any interim dividend for the Period (2021: nil).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the nine months ended 31 December 2022

The Board presents the unaudited condensed consolidated results of the Group for the three months and nine months ended 31 December 2022, together with the unaudited comparative figures for the three months and nine months ended 31 December 2021, as follows:

		Three months ended		Nine months ended	
		31 December		31 December	
		2022	2021	2022	2021
<i>Notes</i>		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	3	16,971	18,701	42,249	54,466
Other income	4	516	503	1,316	1,243
		17,487	19,204	43,565	55,709
Employee benefit costs		(12,381)	(14,363)	(37,007)	(39,192)
Fair value gain (loss) on financial asset at fair value through profit or loss		537	—	(40)	(1)
Depreciation expenses		(1,939)	(2,138)	(5,918)	(7,105)
Introduction expenses		(134)	(238)	(210)	(1,019)
Share of loss of an associate		—	—	(117)	—
Finance cost		(67)	(112)	(232)	(262)
Impairment loss reversed (recognised) in respect of trade receivables		72	285	(160)	(319)
Other operating expenses		(2,355)	(2,470)	(8,131)	(7,423)
Profit (loss) before tax	5	1,220	168	(8,250)	388
Income tax (expenses) credit	6	(62)	(137)	35	(192)
Profit (loss) for the period		1,158	31	(8,215)	196

		Three months ended 31 December		Nine months ended 31 December	
		2022	2021	2022	2021
<i>Notes</i>		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<i>Other comprehensive income (expense)</i>					
Item that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of financial statements of foreign operations		<u>7</u>	<u>3</u>	<u>(39)</u>	<u>10</u>
Total comprehensive income (expense) for the period		<u>1,165</u>	<u>34</u>	<u>(8,254)</u>	<u>206</u>
Profit (loss) for the period attributable to:					
Owners of the Company		<u>1,185</u>	62	<u>(8,128)</u>	383
Non-controlling interests		<u>(27)</u>	<u>(31)</u>	<u>(87)</u>	<u>(187)</u>
		<u>1,158</u>	<u>31</u>	<u>(8,215)</u>	<u>196</u>
Total comprehensive income (expense) for the period attributable to:					
Owners of the Company		<u>1,192</u>	65	<u>(8,167)</u>	393
Non-controlling interests		<u>(27)</u>	<u>(31)</u>	<u>(87)</u>	<u>(187)</u>
		<u>1,165</u>	<u>34</u>	<u>(8,254)</u>	<u>206</u>
Earnings (loss) per share					
— basic (HK cents)	8	<u>0.83</u>	<u>0.04</u>	<u>(5.71)</u>	<u>0.27</u>
— diluted (HK cents)	8	<u>0.83</u>	<u>0.04</u>	<u>(5.71)</u>	<u>0.26</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the nine months ended 31 December 2022

	Attributable to the owners of the Company							Total	Non-controlling interests	Total
	Share capital	Share premium	Retained earnings	Shareholder contribution reserve	Share option reserve	Translation reserve	Other reserve (note)			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2022 (Audited)	1,424	49,639	28,014	4,179	1,946	55	9,900	95,157	257	95,414
Loss for the period	—	—	(8,128)	—	—	—	—	(8,128)	(87)	(8,215)
Other comprehensive expense:										
Exchange differences arising from translation of foreign operation	—	—	—	—	—	(39)	—	(39)	—	(39)
Total comprehensive expense for the period	—	—	(8,128)	—	—	(39)	—	(8,167)	(87)	(8,254)
Dividends recognised as distribution	—	(3,558)	—	—	—	—	—	(3,558)	—	(3,558)
At 31 December 2022 (Unaudited)	<u>1,424</u>	<u>46,081</u>	<u>19,886</u>	<u>4,179</u>	<u>1,946</u>	<u>16</u>	<u>9,900</u>	<u>83,432</u>	<u>170</u>	<u>83,602</u>
At 1 April 2021 (Audited)	1,419	54,765	31,722	4,179	2,115	38	9,900	104,138	405	104,543
Profit (loss) for the period	—	—	383	—	—	—	—	383	(187)	196
Other comprehensive income:										
Exchange differences arising from translation of foreign operation	—	—	—	—	—	10	—	10	—	10
Total comprehensive income (expense) for the period	—	—	383	—	—	10	—	393	(187)	206
Issues of shares upon exercise of share options	1	67	—	—	(43)	—	—	25	—	25
Dividends recognised as distribution	—	(5,395)	—	—	—	—	—	(5,395)	—	(5,395)
Change in ownership interest in a subsidiary that does not result in change of control	—	—	(71)	—	—	—	—	(71)	71	—
At 31 December 2021 (Unaudited)	<u>1,420</u>	<u>49,437</u>	<u>32,034</u>	<u>4,179</u>	<u>2,072</u>	<u>48</u>	<u>9,900</u>	<u>99,090</u>	<u>289</u>	<u>99,379</u>

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2022

1. GENERAL

The Company was incorporated on 21 April 2016 in the Cayman Islands as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and the shares of the Company are listed on GEM of the Stock Exchange. Its parent is 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 unaudited 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 PRESENTATION

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

The principal accounting policies used in the unaudited condensed consolidated financial statements for the nine months ended 31 December 2022 are the same as those followed in the preparation of the Group's annual report for the year ended 31 March 2022, except for the new and revised HKFRSs issued by the HKICPA that are adopted for the first time for the current accounting period of the Group. The adoption of these new and revised HKFRSs has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

3. REVENUE

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

	Nine months ended 31 December	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Corporate finance advisory fee income		
— from acting as financial adviser	8,496	16,680
— from acting as independent financial adviser	13,929	18,839
— from acting as compliance adviser	19,550	18,697
— others	274	250
	<u>42,249</u>	<u>54,466</u>

4. OTHER INCOME

	Nine months ended 31 December	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Bank interest income	367	193
Management fee income from ultimate holding company and controlling shareholder	135	129
Office sharing income and reimbursement of other premises expenses from ultimate holding company	580	557
Other	234	364
	<u>1,316</u>	<u>1,243</u>

5. (LOSS) PROFIT BEFORE TAX

	Nine months ended 31 December	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
(Loss) profit for the period has been arrived at after charging (crediting):		
Directors' emoluments		
Fees	540	540
Other emoluments	7,722	7,722
Contributions to the retirement benefits scheme	27	27
	<u>8,289</u>	<u>8,289</u>
Other staff costs (<i>note</i>)	27,838	30,097
Provision for long service payment	70	20
Contributions to the retirement benefits scheme	810	786
	<u>37,007</u>	<u>39,192</u>
Total employee benefits costs	37,007	39,192
Auditor's remuneration	356	367
Exchange loss (gain), net	748	(363)
Impairment loss recognised in respect of trade receivables	160	319
	<u><u>160</u></u>	<u><u>319</u></u>

Note: Wage subsidies of approximately HK\$1,032,000 (2021: nil) granted from the Employment Support Scheme under Anti-Epidemic Fund for the use of paying wages of employees have been recognised during the Period. The amounts had been offset with the employee benefits costs.

6. INCOME TAX (CREDIT) EXPENSES

	Nine months ended	
	31 December	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax:		
Hong Kong	—	207
Under (over) provision in prior years:		
Hong Kong	54	72
People's Republic of China	(4)	(68)
Deferred taxation	<u>(85)</u>	<u>(19)</u>
	<u>(35)</u>	<u>192</u>

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “Bill”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying corporation will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the Period. For the nine months ended 31 December 2021, Hong Kong profits tax of the qualified entity of the group is calculated in accordance with the two-tiered profits tax rates regime. The profits of other group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%.

Under the Law of the People's Republic of China (“PRC”) on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25%. No provision for PRC Enterprise Income Tax has been made for the nine months ended 31 December 2022 and 2021 as the Group's subsidiary established in the PRC had no assessable profits arising in the PRC.

7. DIVIDENDS

The Board does not recommend the payment of any dividend for the Period (2021: nil).

8. (LOSS) EARNINGS PER SHARE

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

	Nine months ended	
	31 December	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
(Loss) earnings		
(Loss) profit attributable to ordinary equity holders of the Company, used in the basic and diluted (loss) earnings per share calculation	<u>(8,128)</u>	<u>383</u>
	Number of shares	
	31 December	
	2022	2021
Shares		
Weighted average number of ordinary shares in issue during the period, used in the basic (loss) earnings per share calculation ('000)	142,355	141,943
Effect of dilutive potential ordinary shares — share options ('000)	<u>—</u>	<u>4,752</u>
Weighted average number of ordinary shares in issue during the period, used in the diluted (loss) earnings per share calculation ('000)	<u>142,355</u>	<u>146,695</u>

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

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed shares of the Company (the “Shares”) during the Period.

AUDIT COMMITTEE

The Company has established the audit committee (“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 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 mainly reviewing the annual reports and accounts, half-year reports and quarterly reports of the Group, making recommendations to the Board on the appointment and dismissal of external auditors, providing advice in respect of financial reporting, supervising risk management and internal control systems of the Group, reviewing the effectiveness of the internal audit function and monitoring any continuing connected transactions.

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

EVENTS AFTER THE REPORTING PERIOD

1,051,201 share options were exercised after 31 December 2022. An aggregate of 1,051,201 new Shares at the exercise price of HK\$0.16 have been issued after 31 December 2022.

Save as disclosed above, no material subsequent event has occurred in relation to the Company or the Group after 31 December 2022 and up to the date of approval of this announcement.

PUBLICATION OF THIRD QUARTERLY RESULTS AND THIRD QUARTERLY REPORT

This results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.somerleycapital.com). The third quarterly report of the Company for the nine months ended 31 December 2022 containing all the information required by the GEM Listing Rules will be dispatched to the Company's shareholders and published on the above websites in due course.

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

Hong Kong, 13 February 2023

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

This announcement will remain on the "Latest Listed Company Information" page of the website of the Stock Exchange at www.hkexnews.hk for at least 7 days from the date of its posting and will also be published on the Company's website at www.somerleycapital.com.