

If you are in any doubt as to any aspect of this supplemental 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 supplemental circular and the accompanying second 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)

**SUPPLEMENTAL CIRCULAR IN RELATION TO
PROPOSED TERMINATION OF
THE EXISTING SHARE OPTION SCHEME AND
ADOPTION OF THE NEW SHARE OPTION SCHEME
AT THE ANNUAL GENERAL MEETING;
AND
SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING**

This supplemental circular should be read together with the First Circular.

The First Notice was set out on pages 42 to 47 in the First Circular. The supplemental notice of the AGM is set out on pages 24 to 26 of this supplemental circular.

The Second Proxy Form is enclosed herewith. Whether or not you intend to attend the AGM, you are requested to complete the enclosed Second Proxy Form 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 the holding of the AGM. Completion and return of the First Proxy Form and/or the Second Proxy Form shall not preclude you from attending and voting in person at the AGM if you so wish.

This supplemental circular 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 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 supplemental circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Adoption Date”	the date on which the New Share Option Scheme is adopted upon fulfilment of the conditions set out in the provisions of the New Share Option Scheme
“AGM”	the annual general meeting of the Company to be held at 17/F., Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong on Friday, 15 September 2023 at 11:30 a.m. or any adjournment thereof
“Articles”	the articles of association of the Company, as amended, supplemented or otherwise modified from time to time
“Associate(s)”	shall bear the same meaning as ascribed in the GEM Listing Rules
“Auditor(s)”	the auditor(s) for the time being of the Company
“Board”	the board of Directors or a duly authorised committee thereof
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities listed thereon
“Chief Executive”	shall bear the same meaning as ascribed in the GEM Listing Rules
“Close Associate(s)”	shall bear the same meaning as ascribed in the GEM Listing Rules
“Closing Time”	a time which is 48 hours before the time appointed for holding the AGM
“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, the Shares of which are listed on GEM
“Connected Person(s)”	shall bear the same meaning as ascribed in the GEM Listing Rules
“Controlling Shareholder(s)”	shall bear the same meaning as ascribed in the GEM Listing Rules
“Core Connected Person(s)”	shall bear the same meaning as ascribed in the GEM Listing Rules
“Director(s)”	the director(s) of the Company for the time being

DEFINITIONS

“Eligible Employee(s)”	any employee(s) (whether full time or part time, including any director(s) but excluding any independent non-executive director(s)) of the Company or any of its Subsidiaries, including persons who are granted Options under the New Share Option Scheme as inducement to enter into employment contracts of the Group
“Exercise Date”	the date on which the Option is duly exercised or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members
“Exercise Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option, as determined in accordance with paragraph (9) of Appendix to this supplemental circular
“Existing Share Option Scheme”	the share option scheme approved and adopted by the Company on 9 March 2017
“First Circular”	the circular of the Company dated 28 June 2023
“First Notice”	the notice of the Company dated 28 June 2023 convening the AGM
“First Proxy Form”	the form of proxy dispatched to the Shareholders on 28 June 2023
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM, as amended, supplemented or otherwise modified from time to time
“Grantee(s)”	any Eligible Employee(s) who accept(s) the Offer in accordance with the terms and conditions of the New Share Option Scheme or (where the context so permits and as referred to in paragraph (14) of Appendix to this supplemental circular) his Personal Representative
“Group”	the Company and its Subsidiaries and “Member(s) of the Group” shall be construed accordingly
“HK\$” or “Hong Kong dollar(s)”	Hong Kong dollars, the lawful currency of Hong Kong for the time being
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“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”	14 August 2023 being the latest practicable date prior to the printing of this supplemental circular for ascertaining certain information contained in this supplemental circular
“Listing Date”	28 March 2017
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers prescribed by the GEM Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company for the time being
“Mr. Cheung”	Mr. CHEUNG Tei Sing Jamie
“Mr. Fletcher”	Mr. FLETCHER John Wilfred Sword
“Mr. Sabine”	Mr. SABINE Martin Nevil
“New Share Option Scheme”	the new share option scheme proposed to be adopted at the AGM
“Offer”	the offer of the grant of an Option made in accordance with the New Share Option Scheme
“Offer Date”	the date, which must be a Business Day, on which an Offer is made to an Eligible Employee
“Option(s)”	any option(s) to subscribe for Shares granted pursuant to the terms and conditions of the New Share Option Scheme
“Option Period”	in respect of any particular Option(s), a period (which may not expire later than 10 years from the Offer Date of that Option) to be determined and notified by the Board to the Grantee thereof and, in the absence of such determination, from the Offer Date to the earlier of (i) the date on which such Option lapses under the provisions of paragraphs (15) and (16) of Appendix to this supplemental circular; and (ii) 10 years from the Offer Date of that Option
“Other Scheme(s)”	share scheme(s) involving the grant of share awards or options over Shares, other than the New Share Option Scheme

DEFINITIONS

“Personal Representative(s)”	the person(s) who, by virtue of the laws of succession applicable in respect of the death of a Grantee (being an individual), is or are entitled to exercise the Option granted to such Grantee (to the extent not already exercised)
“Pre-IPO Share Option Scheme”	the share option scheme approved and adopted by the Company on 11 May 2016
“Second Proxy Form”	the second form of proxy enclosed with this supplemental circular
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company, or, if there has been a sub-division, consolidation, re-classification or re-construction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company of such other nominal amount as shall result from any such sub-division, consolidation, re-classification or re-construction
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary(ies)”	shall bear the same meaning as ascribed in the GEM Listing Rules
“Substantial Shareholder(s)”	shall bear the same meaning as ascribed in the GEM Listing Rules
“Termination Date”	close of business of the Company on the date which falls ten (10) years after the Adoption Date
“%”	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

16 August 2023

To the Shareholders

Dear Sir or Madam,

**SUPPLEMENTAL CIRCULAR IN RELATION TO
PROPOSED TERMINATION OF
THE EXISTING SHARE OPTION SCHEME AND
ADOPTION OF THE NEW SHARE OPTION SCHEME
AT THE ANNUAL GENERAL MEETING;**

AND

SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

The purpose of this supplemental circular is to provide you with information regarding the new resolution to be proposed at the AGM to enable you to make an informed decision on whether to vote for or against the resolution in relation to (i) the proposed termination of Existing Share Option Scheme and adoption of the New Share Option Scheme; and (ii) to provide you with a supplemental notice of AGM.

LETTER FROM THE BOARD

PROPOSED TERMINATION OF EXISTING SHARE OPTION SCHEME AND ADOPTION OF THE NEW SHARE OPTION SCHEME

The Pre-IPO Share Option Scheme, Existing Share Option Scheme and the New Share Option Scheme

The Pre-IPO Share Option Scheme was adopted by the Company on 11 May 2016. The Board was entitled at any time and from time to time during the period commencing from the adoption date of the Pre-IPO Share Option Scheme to 9 March 2017 to grant options to not more than 35 grantees under the Pre-IPO Share Option Scheme.

The option period of each option granted to the grantees is a period commencing from the Listing Date to 10 May 2024 (i.e. 8 years from the adoption date of the Pre-IPO Share Option Scheme), with either (a) a part of the option shall become vested during the First Exercise Period (as defined below) and the remaining part of the option shall become vested during the Second Exercise Period (as defined below); or (b) the whole option shall only become vested in the Second Exercise Period as mentioned below:

- (i) not more than 5,524,294 Shares comprised in the options under the Pre-IPO Share Option Scheme shall vest unto the Grantees and become exercisable during the period commencing from the Listing Date and ending on 10 May 2024 (the “**First Exercise Period**”); and
- (ii) the remaining Shares comprised in the options under the Pre-IPO Share Option Scheme (being not more than 7,537,441 Shares) shall vest unto the grantees and become exercisable during the period commencing on (i) the date on which the listing of the Shares is transferred to the Main Board; or (ii) 1 January 2020, whichever is earlier, and ending on 10 May 2024 (the “**Second Exercise Period**”). For the avoidance of doubt, any outstanding and unexercised option(s) at the end of the First Exercise Period shall be carried over to the Second Exercise Period and shall be exercisable during the Second Exercise Period.

As at the Latest Practicable Date, there were 4,129,599 outstanding options granted but not yet exercised under the Pre-IPO Share Option Scheme. All the 4,129,599 outstanding options were vested.

LETTER FROM THE BOARD

Details of the outstanding options granted under the Pre-IPO Share Option Scheme as at the Latest Practicable Date are set out below.

Name or category of grantees	Date of grant	Exercise period	Exercise price per Share (HK\$)	Balance as at the Latest Practicable Date
Directors				
CHOW Wai Hung Kenneth	19/5/2016	Second Exercise Period	0.16	1,877,083
CHEUNG Tei Sing Jamie	19/5/2016	Second Exercise Period	0.16	<u>645,717</u>
Subtotal				<u><u>2,522,800</u></u>
Other Employees				
In aggregate	19/5/2016	Second Exercise Period	0.16	<u>1,606,799</u>
Total				<u><u>4,129,599</u></u>

The Existing Share Option Scheme was adopted by a resolution duly passed by the Shareholders on 9 March 2017. Under the Existing Share Option Scheme, the Directors were authorised to grant to (i) any employee(s) (whether full time or part-time employee(s)); (ii) any executive director(s) and non-executive director(s) (including independent non-executive director(s)); and (iii) any person or entity acting in their capacities as advisers or consultants of the Group options to subscribe for Shares as incentives or rewards for their contribution to the Company and its Subsidiaries. Following the Consultation Conclusions on Proposed Amendments to Listing Rules relating to Share Schemes of Listed Issuers and Housekeeping Rule Amendment published by the Stock Exchange in July 2022, Chapter 23 of the GEM Listing Rules was amended and became effective from 1 January 2023. In light of the above, the Company proposes to terminate the Existing Share Option Scheme and adopt the New Share Option Scheme to replace the Existing Share Option Scheme. An ordinary resolution will be proposed at the AGM to approve the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme. So far as the Directors are aware, no Shareholder is prohibited from voting in respect of such resolution.

It is proposed that subject to the approval of the Shareholders for the adoption of the New Share Option Scheme, the Existing Share Option Scheme will be terminated upon the adoption of the New Share Option Scheme after all conditions precedent as referred to under the paragraph headed “Conditions of the adoption of the New Share Option Scheme” have been fulfilled. Operation of the New Share Option Scheme will commence after all the conditions precedent as referred to under the paragraph headed “Conditions of the adoption of the New Share Option Scheme” have been fulfilled. A summary of the principal terms of the rules of the New Share Option Scheme is set out in Appendix to this supplemental circular.

LETTER FROM THE BOARD

The New 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 New 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.

The New Share Option Scheme does not specify a performance target which must be achieved before an Option can be exercised. However, the Board may, at its discretion, fix the vesting period of the Options which shall not be less than 12 months, save for specific circumstances as prescribed in paragraph (8) of Appendix to this supplemental circular, any performance target(s) that must be achieved and/or any other condition(s) (including the Exercise Price) that must be fulfilled before an Option can be exercised. This discretion, coupled with the power of the Board to impose any performance target(s) as it considers appropriate before any Option(s) can be exercised, enables the Group to provide incentives to the Eligible Employees to use their best endeavours in assisting the growth and development of the Group.

To ensure the practicability in fully attaining the purpose of the New Share Option Scheme, the Board and the remuneration committee of the Company are of the view that (a) there are certain instances where 12 months vesting requirement would be too strict to secure the long-term contribution of the Grantees and development of the Group; and (b) the Company should be allowed discretion to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition, and thus should have flexibility to impose additional vesting conditions such as extended vesting period and/or performance-based vesting conditions on top of the minimum vesting period of 12 months, depending on individual circumstances.

The Board and the remuneration committee of the Company are also of the view that the shorter vesting period prescribed in paragraph (8) of Appendix to this supplemental circular is appropriate and aligns with the purpose of the New Share Option Scheme.

The Exercise Price of Options granted under the New Share Option Scheme shall be a price solely determined by the Board subject to such minimum amount as set out in the rules of the New Share Option Scheme, and the Board may specify in the offer letter granting the Options the performance targets that need to be achieved by an Eligible Employee as well as the vesting period of the Option which shall be not less than 12 months before an Option can be exercised, save for specific circumstances as prescribed in paragraph (8) of Appendix to this supplemental circular. The Directors believe that in providing the Board with the discretion to determine the Exercise Price and basis of eligibility of Eligible Employees, set performance targets, prescribe a vesting period before Options can be exercised and impose clawback mechanism, the Group will be in a better position to attract and retain valuable staff members as well as to achieve the purposes of the New Share Option Scheme. Unless otherwise determined by the Board, there are no performance targets under the New Share Option Scheme which must be achieved but the vesting period to be determined by the

LETTER FROM THE BOARD

Board shall be not less than 12 months, save for specific circumstances as prescribed in paragraph (8) of Appendix to this supplemental circular. The Company does not at present intend to appoint a trustee to the New Share Option Scheme.

As at the Latest Practicable Date, the Company did not have any outstanding share option(s) granted pursuant to the Existing Share Option Scheme which remained outstanding and not exercised. The details of the outstanding share options granted pursuant to the Pre-IPO Share Option Scheme are set out above. As at the Latest Practicable Date, other than the Pre-IPO Share Option Scheme and the Existing Share Option Scheme, the Company currently does not maintain any Other Scheme(s). At present and up to the date on which the New Share Option Scheme comes into effect, the Company has no intention to grant options under the Existing Share Option Scheme. As at the Latest Practicable Date, the Company has no existing plan to grant Options to any of the Eligible Employees after the adoption of the New Share Option Scheme.

Upon termination of the Existing Share Option Scheme, no further options may be granted under it but in all other respects the provisions of the Existing Share Option Scheme shall remain in full force and effect.

As at the Latest Practicable Date, the number of Shares in issue is 143,190,295 Shares. Assuming that there is no change in the number of issued Shares between the period from the Latest Practicable Date and the date of AGM, the maximum number of Shares that may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any Other Scheme(s) would be 14,319,029 Shares, being approximately 10% of the total number of issued Shares.

No Shareholder is required to abstain from voting on the resolution approving the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme at the AGM.

Conditions of the adoption of the New Share Option Scheme

The adoption of the New Share Option Scheme is conditional upon (i) the passing of an ordinary resolution by the Shareholders at general meeting approving the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme; and (ii) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, any new Share(s) to be issued pursuant to the exercise of any Option(s) granted under the New Share Option Scheme.

Application by the Company will be made to the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of Options granted under the New Share Option Scheme.

LETTER FROM THE BOARD

Principal terms of the New Share Option Scheme

A summary of the principal terms of the New Share Option Scheme which is proposed to be adopted by the Company at the AGM is set out in Appendix to this supplemental circular. A copy of the rules of the New Share Option Scheme will be available for inspection at the principal place of business in Hong Kong at 20th Floor, China Building, 29 Queen's Road Central, Central, Hong Kong during normal business hours from the date of this supplemental circular up to and including the date of AGM. A copy of the New Share Option Scheme will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.somerleycapital.com) from 1 September 2023 and up to and including the date of the AGM, and will also be available for inspection at the AGM.

Value of all Options that can be granted under the New Share Option Scheme

The Directors consider that it is not appropriate to state the value of all Options that may be granted pursuant to the New Share Option Scheme as if they had been granted on the Latest Practicable Date, because the calculation of the value of the Options is based on a number of variables such as the exercise price, exercise period, interest rate, expected volatility and other relevant variables. As Options have not been granted under the New Share Option Scheme, certain variables are not available for calculating the value of the Options. The Directors believe that any calculation of the value of the Options as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful and would be misleading to Shareholders.

INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, the Directors are not aware that any of the Directors, the Controlling Shareholders of the Company and their respective Close Associates competes or may compete with the business of the Group and has or may have any other conflict of interest with the Group.

ARRANGEMENT ENTERED INTO BY SHAREHOLDERS

Mr. Sabine, Mr. Fletcher and Mr. Cheung are directly interested in 220,000 Shares, 50,000 Shares and 2,233,440 Shares, respectively. In addition, 645,717 Shares represent options granted to Mr. Cheung by the Company under the Pre-IPO Share Option Scheme. Somerley Group Limited is directly interested in 84,810,190 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.

LETTER FROM THE BOARD

AGM AND PROXY ARRANGEMENT

Since both the First Notice and the First Proxy Form that were sent together with the First Circular do not contain the proposed resolution of the termination of Existing Share Option Scheme and adoption of the New Share Option Scheme, the supplemental notice of the AGM and the Second Proxy Form are enclosed with this supplemental circular to include such proposed resolution.

Whether or not you are able to attend the AGM, please complete and sign the Second Proxy Form 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 notarially 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 the Closing Time. Completion and delivery of the Second Proxy Form will not preclude you from attending and voting in person at the AGM if you so wish and in such event the Second Proxy Form shall be deemed to be revoked.

A Shareholder who has not yet lodged the First Proxy Form with the Company's branch share registrar in Hong Kong is requested to lodge the Second Proxy Form if it/he/she wishes to appoint proxy/proxies to attend and vote at the AGM on its/his/her behalf. In this case, the First Proxy Form should not be lodged with the Company's branch share registrar in Hong Kong.

A Shareholder who has already lodged the First Proxy Form with the Company's branch share registrar in Hong Kong should note that:

- (i) if no Second Proxy Form is lodged with the Company's branch share registrar in Hong Kong, the First Proxy Form will be treated as a valid form of proxy lodged by the Shareholder if correctly completed. The proxy so appointed by the Shareholder shall be required to vote in such manner as it/he/she may be directed under the First Proxy Form and, in respect of the resolution no. 10, as set out in the supplemental notice of the AGM and the Second Proxy Form, the proxy will be entitled to vote at its/his/her discretion or to abstain from voting on such resolution;
- (ii) if the Second Proxy Form is lodged with the Company's branch share registrar in Hong Kong before the Closing Time, the Second Proxy Form, if correctly completed, will be treated as a valid form of proxy lodged by the Shareholder and will revoke and supersede the First Proxy Form previously lodged by it/him/her;
- (iii) if the Second Proxy Form is lodged with the Company's branch share registrar in Hong Kong after the Closing Time, or if lodged before the Closing Time but is incorrectly completed, the proxy appointment under the Second Proxy Form will be invalid. The proxy so appointed by the Shareholder under the First Proxy Form, if correctly completed, will be entitled to vote in the manner as mentioned in (i) above as if no Second Proxy Form was lodged with the Company's branch share registrar in Hong Kong.

LETTER FROM THE BOARD

Apart from the new proposed resolution no. 10 as mentioned above, all other information contained in the First Notice remains valid and unchanged. You may view and download the First Circular, the First Notice, this supplemental circular, the supplemental notice of the AGM, the First Proxy Form and the Second Proxy Form from the website of the Stock Exchange (www.hkexnews.hk) or the Company's website (www.somerleycapital.com).

RESPONSIBILITY STATEMENT

This supplemental 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 the information contained in this supplemental circular 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 supplemental circular misleading.

RECOMMENDATION

The Directors consider that the proposed termination of Existing Share Option Scheme and adoption of the New Share Option Scheme 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 resolution approving the termination of Existing Share Option Scheme and adoption of the New Share Option Scheme to be proposed at the AGM.

GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendix to this supplemental circular. The English text of this supplemental circular shall prevail over the Chinese text for the purpose of interpretation.

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

APPENDIX PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

Set out below is a summary of the principal terms and conditions of the New Share Option Scheme to provide sufficient information to the Shareholders for their consideration of the New Share Option Scheme proposed to be adopted at the AGM.

(1) PURPOSE, DURATION AND ADMINISTRATION OF THE SCHEME

The New 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 New Share Option Scheme is to attract and retain the best available and 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 its Shares for the benefit of the Company and its Shareholders as a whole.

Subject to the terms of the New Share Option Scheme, the New Share Option Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, after which period no further Options will be offered or granted but the provisions of the New Share Option Scheme shall remain in full force and effect in all other respects.

(2) WHO MAY JOIN

The Board may, at its absolute discretion, invite any Eligible Employee, to take up Options to subscribe for Shares.

The eligibility of any of the Eligible Employees to an Offer shall be determined by the Board from time to time on the basis of the Board's opinion as to his contribution to the development and growth of the Group.

In determining the basis of eligibility of each Eligible Employee, the factors in assessing whether any individual is eligible to participate in the New Share Option Scheme include: (a) their individual performance; (b) their time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; (c) the length of their engagement with the Group; and (d) their individual contributions or potential contributions towards the development and growth of the Group.

(3) MAXIMUM NUMBER OF SHARES

- (a) The total number of Shares which may be allotted and issued upon exercise of all Options (excluding, for this purpose, options which have lapsed in accordance with the terms of the New Share Option Scheme and any Other Scheme(s)) to be granted under the New Share Option Scheme and any Other Scheme(s) (including share award scheme and share option scheme) must not in aggregate exceed 10% of the Shares in issue as at the Adoption Date (the "**Scheme Mandate Limit**"). Assuming that there is no change in the Shares in issue between the period from the Latest Practicable Date and the date of passing the relevant resolution, the maximum number of Shares may be issued upon exercise of the Options granted under the Scheme Mandate Limit is 14,319,029 Shares.

APPENDIX PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

- (b) Without prejudice to (c) below, the Company may seek approval of the Shareholders at general meeting to refresh the Scheme Mandate Limit under the New Share Option Scheme after three years from the date of Shareholders' approval for the last refreshment (or the Adoption Date), provided that the total number of Shares which may be allotted and issued upon exercise of all Options to be granted under the New Share Option Scheme and any Other Scheme(s) must not exceed 10% of the Shares in issue as at the date of approval of the limit and for the purpose of calculating the refreshed limit, options (including those outstanding, cancelled, lapsed or exercised in accordance with the New Share Option Scheme and any Other Scheme(s)) previously granted under the New Share Option Scheme and any Other Scheme(s) will not be counted.
- (c) Without prejudice to (b) above, the Company may seek separate Shareholders' approval at general meeting to grant Options beyond the Scheme Mandate Limit or, if applicable, the extended limit referred to in (b) above to Eligible Employees specifically identified by the Company before such approval is sought.
- (d) Any refreshment of the Scheme Mandate Limit within any three (3) year period must be approved by the Shareholders subject to:
 - (i) any Controlling Shareholder(s) of the Company and their Associates (or if there is no Controlling Shareholder of the Company, Directors (excluding independent non-executive Directors) and the Chief Executive of the Company and their respective Associates) abstaining from voting in favour of the relevant resolution at the general meeting; and
 - (ii) the Company complying with the requirements under Rules 17.47(6) and 17.47(7) and Rules 17.47A, 17.47B and 17.47C of the GEM Listing Rules.

The requirements under paragraphs (i) and (ii) above do not apply if the refreshment is made immediately after an issue of securities by the Company to the Shareholders on a pro rata basis as set out in Rule 17.41(1) of the GEM Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the total issued Shares) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of securities, rounded to the nearest whole Share.

- (e) The total number of Shares which may be issued in respect of all Options to be granted under the New Share Option Scheme (in aggregate with any other option(s) and award(s) to be granted under any Other Scheme(s) that involve(s) the issuance of new Shares) under the Scheme Mandate Limit as “refreshed” must not exceed 10% of the total number of issued Shares as at the date of approval of the refreshed scheme mandate limit. The Company must send a circular to the Shareholders containing the number of options that were already granted under the existing scheme mandate limit and the reason for the “refreshment”.

(4) MAXIMUM ENTITLEMENT OF EACH PARTICIPANT

The total number of Shares issued and which may fall to be issued upon exercise of the Options and the options granted under any Other Scheme(s) (including both exercised or outstanding options) to each Grantee in any 12-month period shall not exceed 1% of the Shares in issue for the time being. Where any further grant of Options to a Grantee under the New Share Option Scheme would result in the Shares issued and to be issued upon exercise of all options granted and proposed to be granted to such person (including exercised, cancelled and outstanding options) under the New Share Option Scheme and any Other Scheme(s) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant must be separately approved by Shareholders at general meeting of the Company with such Grantee and his Close Associates (or his Associates if the Grantee is a Connected Person) abstaining from voting.

(5) GRANT OF OPTIONS TO CONNECTED PERSONS

- (a) Any grant of Options under the New Share Option Scheme to any director, Chief Executive or Substantial Shareholder of the Company, or any of their respective Associates must be approved by the independent non-executive Directors.
- (b) Where any grant of Options to a Substantial Shareholder of the Company or any of their respective Associates or the Associates of independent non-executive Directors, would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue for the time being, such further grant of Options must be approved by the Shareholders at general meeting. The Company shall send a circular to all Shareholders containing the information required under the GEM Listing Rules. The Grantee, his Associates and all Core Connected Persons of the Company must abstain from voting at such general meeting, except that any Core Connected Person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular. Any vote taken at the meeting to approve the grant of such Options must be taken on a poll.

APPENDIX PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

- (c) For the purpose of seeking the approval of the Shareholders under paragraphs (5) (a) and (b), the Company must send a circular to the Shareholders containing the information:
- (i) details of the number and terms (including the Option Period, performance targets (if any), basis of determination of Exercise Price and the rights attached to the Shares or the Option) of the Options to be granted to each such Substantial Shareholder of the Company or any of their respective Associates or the Associates of independent non-executive Directors, which must be fixed before the Shareholders' meeting and the date of Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the Exercise Price;
 - (ii) the views of the independent non-executive Directors as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and the Shareholders as a whole, and their recommendation to the independent Shareholders as to voting; and
 - (iii) the information required under the GEM Listing Rules.

(6) TIME OF ACCEPTANCE AND EXERCISE OF OPTION

An offer shall remain open for acceptance by the Eligible Employee concerned (and by no other person) for a period of up to 21 days from the Offer Date, provided that no such Offer shall be opened for acceptance after the 10th anniversary of the Adoption Date or after the New Share Option Scheme has been terminated in accordance with the provisions hereof.

An Option may be exercised in accordance with the terms of the New Share Option Scheme at any time during a period to be determined and notified by the Board to each Grantee, which period shall end in any event not later than 10 years from the date of grant of the Option subject to the provisions for lapse thereof. The vesting period for Options shall be determined by the Board and in any case, shall not be less than 12 months, save for the circumstances prescribed in paragraph (8).

The Grantee may only exercise an Option subject to any restrictions as may be reasonably imposed by the Board from time to time with a view to ensuring or facilitating compliance with any applicable laws and regulations, in particular those relating to insider dealing and other prohibitions under the GEM Listing Rules.

A nominal consideration of HK\$1 is payable on acceptance of the grant of an Option.

(7) PERFORMANCE TARGETS

Unless the Board otherwise determined and stated in the offer of the grant of Options to a Grantee, a Grantee is not required to achieve any performance targets before the exercise of an Option granted to him. The performance targets, if imposed, may be linked to the individual Eligible Employee or the Group as a whole or to a Subsidiary of the Company, department, division, region, function or business unit, line of business, project or individual key performance indicators, which may include revenue, profits (before or after income tax), earnings per share, market value or economic value added, cash flow, return on assets, return on equity, return on investment, share price, and other targets as the Board may determine from time to time and assess either annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, past or current performance or comparison to internal targets or industry performance, in each case as specified by the Board in its sole discretion.

(8) VESTING PERIOD

The vesting period for Options shall be determined by the Board and in any case, shall not be less than twelve (12) months. Unless otherwise determined by the Board and stated in the Offer to a Grantee, a Grantee is not required to achieve any performance targets before the exercise of an Option granted to him.

The Board may at its discretion grant a shorter vesting period to an Eligible Employee in the following circumstances:

- (a) grants of “make-whole” Option(s) to new joiners to replace the share options they forfeited when leaving the previous employers;
- (b) grants to an Eligible Employee whose employment is terminated due to death or occurrence of any out-of-control event; or
- (c) grants with performance-based vesting conditions in lieu of time-based vesting criteria as determined in the conditions of grant.

(9) EXERCISE PRICE FOR SHARES AND CONSIDERATION FOR THE OPTION

The Exercise Price for Shares under the New Share Option Scheme will be a price determined by the Board, but shall not be less than the highest of:

- (a) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the Offer Date;
- (b) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheets for the 5 Business Days immediately preceding the Offer Date; and
- (c) the nominal value of a Share on the Offer Date.

A nominal consideration of HK\$1 is payable on acceptance of the grant of an Option.

(10) RANKING OF SHARES

Shares to be allotted and issued upon the exercise of an Option will be subject to all the provisions of the Articles and will rank *pari passu* in all respects with the then existing fully paid Shares in issue on the Exercise Date and accordingly will entitle the holders thereof to transfer the shares, participate in all dividends or other distributions (including on liquidation) paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Exercise Date. Save for the exercise of Options into Shares and subject to the terms and conditions contained in the New Share Option Scheme, the Options do not carry any right to vote at general meetings of the Company, or any dividend, distribution or other rights. A Share allotted and issued upon the exercise of an Option shall not carry voting rights until the name of the Grantee has been duly entered on the register of members of the Company as the holder thereof.

(11) RESTRICTIONS ON THE TIME OF GRANT OF OPTIONS

For so long as the Shares are listed on the Stock Exchange, an Offer may not be made after inside information (as defined under the SFO as amended, supplemented or otherwise modified from time to time) has occurred or a price sensitive matter has been the subject of a decision until such inside information has been announced in accordance with the requirements of the GEM Listing Rules. In particular, during the period commencing 1 month immediately preceding the earlier of:

- (a) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the GEM Listing Rules) for the approval of the Company's results for any year, half-year, quarter or any other interim period (whether or not required under the GEM Listing Rules); and
- (b) the deadline for the Company to publish an announcement of its results for any year, half-year, quarter or any other interim period (whether or not required under the GEM Listing Rules),

and ending on the date of the results announcement (or during any period of delay in publishing results announcements), no Offer may be made.

The Board may not make any Offer to an Eligible Employee who is subject to the Model Code during the periods or times in which such Eligible Employee is prohibited from dealing in Shares pursuant to Model Code.

(12) PERIOD OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme will remain in force for a period of 10 years commencing on the Adoption Date.

(13) RIGHTS ON CEASING EMPLOYMENT

If the Grantee is an Eligible Employee and in the event of his ceasing to be an Eligible Employee for any reason other than death, ill-health or retirement in accordance with his contract of employment on one or more of the grounds specified in paragraph (15) below before exercising the Option in full, the Option (to the extent not already exercised) shall lapse on the date of cessation or termination and not be exercisable unless the Board otherwise determine in which event the Grantee may exercise the Option (to the extent not already exercised) in whole or in part in accordance with the provisions in the New Share Option Scheme within such period (not exceeding 90 days) as the Board may determine following the date of such cessation or termination or, if any of the events referred to in paragraph (17) or (18) occur during such period, exercise the Option pursuant to paragraph (17) or (18) respectively. The date of cessation or termination as aforesaid shall be the last day on which the Grantee was actually at work with the Company or the relevant Subsidiary of the Company whether salary is paid in lieu of notice or not.

(14) RIGHTS ON DEATH, ILL-HEALTH OR RETIREMENT

If the Grantee is an Eligible Employee and in the event of his ceasing to be an Eligible Employee by reason of his death, ill-health or retirement in accordance with his contract of employment before exercising the Option in full, his Personal Representative(s), or, as appropriate, the Grantee may exercise the Option (to the extent not already exercised) in whole or in part in accordance with the provisions in the New Share Option Scheme within a period of 12 months following the date of cessation which date shall be the last day on which the Grantee was at work with the Company or the relevant Subsidiary of the Company whether salary is paid in lieu of notice or not, or such longer period as the Board may determine or, if any of the events referred to in paragraph (17) or (18) occur during such period, exercise the Option pursuant to paragraph (17) or (18) respectively.

(15) RIGHTS ON DISMISSAL

If the Grantee is an Eligible Employee and ceases to be an Eligible Employee by reason of a termination of his employment on the grounds that he has been guilty of persistent or serious misconduct, or has committed any act of bankruptcy or has become insolvent or has made any arrangements or composition with his creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the Board does not bring the Grantee or the Group into disrepute), his Option (to the extent not already exercised) shall lapse automatically and will not in any event be exercisable on or after the date of cessation to be an Eligible Employee.

(16) RIGHTS ON BREACH OF CONTRACT

If the Board shall at their absolute discretion determine that (i) the Grantee (other than an Eligible Employee) or his Associate has committed any breach of any contract entered into between such Grantee or his Associate on the one part and the Group on the other part; or (ii) that such Grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally; or (iii) such Grantee could no longer make any contribution to the growth and development of the Group by reason of the cessation of its relations with the Group or by any other reason whatsoever, the Option shall lapse as a result of any event referred to (i), (ii) or (iii) above.

(17) RIGHTS ON A GENERAL OFFER, A COMPROMISE OR ARRANGEMENT

If a general or partial offer, whether by way of take-over offer, share repurchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of the Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the Grantees on the same terms, *mutatis mutandis*, and assuming that they will become, by the exercise in full of the Options granted to them, Shareholders. If such offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to Shareholders, the Grantee shall, notwithstanding any other terms on which his Options were granted, be entitled to exercise the Option (to the extent vested but not already exercised) to its full extent or to the extent specified in the Grantee's notice to the Company in accordance with the provisions of the New Share Option Scheme at any time thereafter and up to the close of such offer (or any revised offer) or the record date for entitlements under scheme of arrangement, as the case may be. Subject to the above, the Option will lapse automatically (to the extent vested but not exercised) on the date which such offer (or, as the case may be, the revised offer) closes or the relevant record date for entitlements under the scheme of arrangement, as the case may be.

(18) RIGHTS ON WINDING UP

In the event of a resolution being proposed for the voluntary winding-up of the Company during the Option Period, the Grantee may, subject to the provisions of all applicable laws, by notice in writing to the Company at any time not less than two Business Days before the date on which such resolution is to be considered and/or passed, exercise his Option (to the extent not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of the New Share Option Scheme and the Company shall allot and issue to the Grantee the Shares in respect of which such Grantee has exercised his Option not less than one day before the date on which such resolution is to be considered and/or passed whereupon the Grantee shall accordingly be entitled, in respect of the Shares allotted and issued to him in the aforesaid manner, to participate in the distribution of the assets of the Company available in liquidation *pari passu* with the holders of the Shares in issue on the day prior to the date of such resolution. Subject thereto, all Options then outstanding shall lapse and determine on the commencement of the winding-up of the Company.

(19) OPTIONHOLDER BEING A COMPANY WHOLLY-OWNED BY ELIGIBLE EMPLOYEES

If pursuant to paragraph (23) that a waiver is granted by the Stock Exchange where the optionholder is a vehicle (such as a trust or a private company) for the benefit of an Eligible Employee and any family members of such Eligible Employee that would continue to meet the purpose of the New Share Option Scheme and comply with the other requirements of the GEM Listing Rules:

- (a) paragraphs (13), (14), (15) and (16) shall also apply to the optionholder and to the Options transferred to such optionholder, *mutatis mutandis*, as if such Options had been granted to the relevant individual Eligible Employee, and such Options shall accordingly lapse or fall to be exercisable after the event(s) referred to in paragraphs (13), (14), (15) and (16) shall occur with respect to the relevant individual Eligible Employee; and
- (b) the Options granted to the Grantee and transferred to the optionholder shall lapse and determine on the date the optionholder ceases to be wholly-owned by the relevant individual Grantee(s) (or, where the optionholder is originally a trust of which the relevant individual Grantee(s) is a beneficiary or discretionary object, on the date the relevant individual Grantee(s) ceases to be a beneficiary or discretionary object) provided that the Directors may in their absolute discretion decide that such Options or any part thereof shall not so lapse or determine subject to such conditions or limitations as they may impose.

(20) CAPITAL REORGANIZATION

In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable or the New Share Option Scheme remains in effect, and such event arises from a capitalization issue, right issue, consolidation or sub-division of the Shares, or reduction of the Share capital of the Company, then, in any such case the Company shall instruct the Auditor(s) or an independent financial adviser to certify in writing the adjustment, if any, that ought in their opinion fairly and reasonably to be made either generally or as regards any particular Grantee, to (i) the number or nominal amount of Shares to which this New Share Option Scheme or any Option(s) relates (insofar as it is/they are unexercised); (ii) the Exercise Price of any Option; and (iii) (unless the relevant Grantee elects to waive such adjustment) the number of Shares comprised in an Option or which remain comprised in an Option, and an adjustment as so certified by the Auditor(s) or such independent financial adviser shall be made, provided that: (i) any such adjustment shall give the Grantee the same proportion of the Shares in issue, rounded to the nearest whole Share, for which such Grantee would have been entitled to subscribe had he exercised all the Options held by him immediately prior to such adjustment; (ii) no such adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value; (iii) the issue of Shares or other securities of the Group as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment; and (iv) any such adjustment shall be made in compliance with such rules, codes and guidance notes of the Stock Exchange from time to time.

APPENDIX PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

In respect of any adjustment referred to this paragraph, other than any adjustment made on a capitalisation issue, the Auditor(s) or such independent financial adviser must confirm to the Board in writing that the adjustments satisfy the requirements of the relevant provisions of the GEM Listing Rules.

(21) CANCELLATION OF OPTIONS

Subject to paragraph (23) and Chapter 23 of the GEM Listing Rules, any cancellation of Options granted but not yet exercised may be cancelled with the prior written consent of the relevant Grantee and the approval of the Board.

Where the Company cancels any Option granted to a Grantee but not exercised and issues new Option(s) to the same Grantee, the issue of such new Option(s) may only be made with available unissued Options (excluding, for this purpose, the Options so cancelled) within the Scheme Mandate Limit or the limits approved by the Shareholders pursuant paragraphs (3) (b) and (c) above.

(22) TERMINATION OF THE NEW SHARE OPTION SCHEME

The Company by ordinary resolution at general meeting may at any time terminate the operation the New Share Option Scheme and in such event no further Options will be offered or granted but in all other respects the provisions of the New Share Option Scheme shall remain in full force to the extent necessary to give effect to the exercise of any Options (to the extent not already exercised) granted prior thereto or otherwise as may be required in accordance with the provisions of the New Share Option Scheme and Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

(23) RIGHTS ARE PERSONAL TO THE GRANTEE

An Option shall be personal to the Grantee and shall not be transferable or assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest whatsoever in favour of any third party over or in relation to any Option or enter into any agreement so to do. The Stock Exchange may consider granting a waiver to allow a transfer of an Option to a vehicle (such as trust or private company) for the benefit of the Grantee and any family members of such Grantee that would continue to meet purpose of the New Share Option Scheme and comply with other requirements of the GEM Listing Rules. Where such waiver is granted, the beneficiaries of the trust or the ultimate beneficial owners of the transferee vehicle shall be disclosed. Any breach of the foregoing by a Grantee shall entitle the Company to cancel any Option granted to such Grantee to the extent not already exercised.

(24) LAPSE OF OPTION

An Option shall lapse automatically (to the extent not already exercised) on the earliest of (a) the expiry of the Option Period; or (b) the expiry of the periods or dates referred to in paragraphs (13), (14), (15), (16), (17), (18) and (19).

(25) CLAWBACK MECHANISM

Unless the Board otherwise determined and stated in the offer of the grant of Options to a Grantee, there is no clawback mechanism under the New Share Option Scheme to recover or withhold the remuneration (which may include any Options granted) to any Eligible Employees in the event of serious misconduct, a material misstatement in the Company's financial statements or other circumstances.

(26) OTHERS

- (a) The New Share Option Scheme is conditional upon the Listing Committee of the Stock Exchange granting the listing of and permission to deal in such number of new Shares representing the Scheme Mandate Limit to be allotted and issued by the Company pursuant to the exercise of Options in accordance with the terms and conditions of the New Share Option Scheme; and the passing of the necessary resolution by Shareholders to approve and adopt the New Share Option Scheme at a general meeting of the Company.
- (b) Any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature or any alterations to the provisions relating to the matters set out in Rule 23.03 of the GEM Listing Rules to the advantage of participants must be approved by Shareholders at a general meeting.
- (c) Any change to the authority of the Board or the administrators of the New Share Option Scheme in relation to any alteration to the terms of the New Share Option Scheme must be approved by the Shareholders at a general meeting.
- (d) The terms of the New Share Option Scheme and/or the Options amended pursuant to this paragraph (26) must still comply with the applicable requirements of the GEM Listing Rules.
- (e) Any change to the terms of Options granted to an Eligible Employee must be approved by the Board, the remuneration committee of the Company, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Options was approved by the Board, the remuneration committee of the Company, the independent non-executive Directors and/or the Shareholders (as the case may be).



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)

Reference is made to the circular (the “**First Circular**”) of Somerley Capital Holdings Limited (the “**Company**”) and the notice of annual general meeting (the “**First Notice**”) of the Company dated 28 June 2023, pursuant to which the Company convened an annual general meeting to be held at 17/F., Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong on Friday, 15 September 2023 at 11:30 a.m. (or at any adjournment thereof) (the “**AGM**”). This supplemental notice shall be read together with the First Notice.

SUPPLEMENTAL NOTICE IS HEREBY GIVEN THAT in addition to the resolutions contained in the First Notice, the following supplementary resolution be put forward to the shareholders of the Company (the “**Shareholders**”) for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

10. “**THAT:**

- (a) subject to and conditional upon The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the listing of, and permission to deal in, the shares of the Company which may fall to be issued and allotted pursuant to the exercise of any options which may be granted under the new share option scheme of the Company (the “**New Share Option Scheme**”), the rules of which are contained in the document marked “A” produced to the meeting and for the purpose of identification signed by the chairman of the meeting, the New Share Option Scheme be and is hereby approved and adopted and the Directors be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Option Scheme including but without limitation:
 - (i) to administer the New Share Option Scheme under which options will be granted to participants eligible under the New Share Option Scheme to subscribe for shares in the Company;
 - (ii) to modify and/or amend the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Share Option Scheme relating to modification and/or amendment;

SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING

- (iii) to issue and allot from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options under the New Share Option Scheme and subject to the Rules Governing the Listing of Securities on GEM of the Stock Exchange;
 - (iv) to make application at the appropriate time or times to the Stock Exchange; and any other stock exchanges upon which the issued shares of the Company may for the time being be listed, for listing of and permission to deal in any shares which may hereafter from time to time be issued and allotted pursuant to the exercise of the options under the New Share Option Scheme;
 - (v) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the New Share Option Scheme; and
- (b) the existing share option scheme which was adopted by the Company on 9 March 2017 be and is hereby terminated with effect from the adoption of the New Share Option Scheme.”

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

Hong Kong, 16 August 2023

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) A supplemental proxy form (the “**Second Proxy Form**”) for the above resolution no. 10 is enclosed with the supplemental circular of the Company dated 16 August 2023 together with this supplemental notice of the AGM.

SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING

- (b) Whether or not you are able to attend the AGM, please complete and sign the Second Proxy Form 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 notarially 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 less than 48 hours before the time appointed for holding the AGM (the "Closing Time"). Completion and delivery of the Second Proxy Form will not preclude you from attending and voting in person at the AGM if you so wish and in such event the Second Proxy Form shall be deemed to be revoked.
- (c) A Shareholder who has not yet lodged the proxy form dispatched to the Shareholders on 28 June 2023 with the Company's branch share registrar in Hong Kong (the "First Proxy Form") is requested to lodge the Second Proxy Form if it/he/she wishes to appoint proxy/proxies to attend and vote at the AGM on its/his/her behalf. In this case, the First Proxy Form should not be lodged with the Company's branch share registrar in Hong Kong.
- (d) A Shareholder who has already lodged the First Proxy Form with the Company's branch share registrar in Hong Kong should note that:
- (i) if no Second Proxy Form is lodged with the Company's branch share registrar in Hong Kong, the First Proxy Form will be treated as a valid form of proxy lodged by the Shareholder if correctly completed. The proxy so appointed by the Shareholder shall be required to vote in such manner as it/he/she may be directed under the First Proxy Form and, in respect of the resolution no. 10, as set out in the supplemental notice of the AGM and the Second Proxy Form, the proxy will be entitled to vote at its/his/her discretion or to abstain from voting on such resolution;
 - (ii) if the Second Proxy Form is lodged with the Company's branch share registrar in Hong Kong before the Closing Time, the Second Proxy Form, if correctly completed, will be treated as a valid form of proxy lodged by the Shareholder and will revoke and supersede the First Proxy Form previously lodged by it/him/her;
 - (iii) if the Second Proxy Form is lodged with the Company's branch share registrar in Hong Kong after the Closing Time, or if lodged before the Closing Time but is incorrectly completed, the proxy appointment under the Second Proxy Form will be invalid. The proxy so appointed by the Shareholder under the First Proxy Form, if correctly completed, will be entitled to vote in the manner as mentioned in (i) above as if no Second Proxy Form was lodged with the Company's branch share registrar in Hong Kong.
- (e) Please refer to the First Notice and the First Circular for details in respect of the other resolutions to be transacted at the AGM, eligibility for attending the AGM, appointment of proxy, registration procedures and other relevant matters.

As at the date of this supplemental 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 supplemental notice will remain on the "Latest Listed Company Information" page of the website 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.