



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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

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

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This 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.

INTERIM FINANCIAL HIGHLIGHTS

- The Group's total revenue decreased by approximately 25.9% to approximately HK\$24.0 million for the six months ended 30 September 2024 ("the Period") from approximately HK\$32.4 million for the six months ended 30 September 2023. The decrease was mainly due to the severe fee competition in Hong Kong corporate finance industry.
- Revenue generated from acting as financial adviser ("FA") and as independent financial adviser ("IFA") for the Period amounted to approximately HK\$7.6 million (2023: approximately HK\$8.8 million) and HK\$7.6 million (2023: approximately HK\$12.0 million) respectively, in aggregate, accounting for approximately 63.3% of the Group's total revenue (2023: approximately 64.2%). Revenue from acting as FA held up reasonably and revenue from acting as IFA however decreased sharply owing to keen competition.
- Revenue generated from acting as compliance adviser ("CA") for the Period amounted to approximately HK\$8.8 million (2023: approximately HK\$11.6 million), accounting for approximately 36.7% of the Group's total revenue (2023: approximately 35.8%). Revenue from acting as CA decreased due to a lower level of IPOs and a scheduled run-off of existing CA mandates.
- For the Period, the Group recorded a loss before tax of approximately HK\$11.7 million (2023: approximately HK\$1.0 million), and after-tax loss was approximately HK\$11.7 million (2023: approximately HK\$0.9 million). The increase in loss was mainly due to an approximately HK\$8.4 million decrease in revenue as a result of the severe fee competition and unfavourable business environment in Hong Kong corporate finance market.
- The Group's net assets as at 30 September 2024 decreased to approximately HK\$64.2 million from approximately HK\$78.5 million as at 31 March 2024 mainly due to the loss for the Period of approximately HK\$11.7 million, with recognition of approximately HK\$1.1 million share-based payment expenses absorbed in share option reserve, and distribution of 2023–2024 final dividend of approximately HK\$3.7 million.
- The board of Directors (the "Board") does not recommend the payment of any dividend for the Period (2023: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECT

Analysis of Principal Businesses

The Group is an integrated financial services provider licensed to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”) and, through its subsidiaries, is principally engaged in providing corporate finance advisory services.

The corporate finance advisory business carried on by Somerley Capital Limited and Somerley Capital (Beijing) Limited is the Group’s core business segment. The Group’s corporate finance advisory services mainly include (i) acting as financial adviser to Hong Kong public listed companies, major shareholders and investors of these companies and parties seeking to control or invest in listed companies in Hong Kong, mostly in transactions which involve the Rules Governing the Listing of Securities on the Stock Exchange, the GEM Listing Rules and/or the Codes on Takeovers and Mergers and Share Buy-backs; (ii) acting as independent financial adviser to independent board committees and/or independent shareholders of listed companies in Hong Kong; (iii) acting as compliance adviser, for newly listed and existing listed companies in Hong Kong; (iv) acting as sponsor to initial public offerings and listings of shares of companies on the Stock Exchange in Hong Kong and advising on secondary equity issues in Hong Kong; and (v) acting as advisor to cross-border mergers and acquisitions.

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

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

Prospects

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

FINANCIAL REVIEW

Revenue

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

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

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

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

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

For the six months ended
30 September
2024 2023
HK\$'000 *HK\$'000*

Investment income

Interest income	846	872
Dividends from financial assets at fair value through profit or loss	40	—
Fair value gain on derivative financial instrument	—	1,012
Fair value gain on financial assets at fair value through profit or loss	51	30
	937	1,914
	937	1,914

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

For the six months ended
30 September
2024 2023
HK\$'000 *HK\$'000*

Other income and gains (losses), net

Management fee income from ultimate holding company	75	90
Office sharing income and reimbursement of other premises expenses from ultimate holding company	376	386
Exchange loss, net	(23)	(60)
Loss on deemed disposal of an associate	—	(797)
	428	(381)
	428	(381)

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

Employee Benefits Costs

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

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

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

Depreciation and Other Operating Expenses

The Group adopted HKFRS 16 under which all non-cancellable operating leases, except for short-term leases and leases for low-value assets, entered by the Group are recorded as right-of-use assets whose costs will be depreciated over the lease terms. Other operating expenses were mainly recurring GEM listing expenses, travelling expenses, professional fees and other expenses, including utility expenses, building management fees, telecommunication expenses, information technology related expenses, data intelligence service subscription fees and insurance expenses.

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

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

Impairment Loss Recognised in respect of Trade Receivables

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

Loss for the Period

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

Liquidity, Financial Resources and Capital Structure

The Group's working capital and other capital requirements were principally satisfied by cash generated from the Group's operations.

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

The Group's equity consists of ordinary shares of the Company (the "Shares"). The Group had neither banking facilities nor borrowings as at 31 March 2024 and 30 September 2024.

The Directors are of the view that the Group's financial resources are fully sufficient to support its business and operations at the date hereof.

Foreign Exchange Exposure

The majority of the Group's revenue is denominated in Hong Kong dollars and the Group's accounts are prepared in Hong Kong dollars. Consequently, exposure to the risk of foreign exchange rate fluctuations for the Group is not material.

Future Plans for Material Investments or Capital Assets

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

Significant Investments

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

Material Acquisition and Disposal of Subsidiaries, Associates or Joint Ventures

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

Events after the Reporting Date

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

Charge on Assets & Contingent Liabilities

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

Gearing Ratio

As at 31 March 2024 and 30 September 2024, the Group did not have any borrowings and hence gearing ratio was not applicable.

Dividend

The Board does not recommend the payment of any dividend for the Period (2023: nil).

Treasury Policies

The credit risk facing the Group is primarily attributable to bank balances and trade receivables. Bank balances are held with leading licensed banks in Hong Kong. The management of the Group regularly reviews the recoverable amount of each individual trade receivable to monitor prompt recovery and if necessary to make adequate impairment losses for irrecoverable amounts.

Employees and Remuneration Policies

The Group employed 46 employees as at 30 September 2024 (31 March 2024: 48).

For the Period, employee benefits costs of the Group (including the Directors' emoluments) were approximately HK\$26.3 million (2023: approximately HK\$25.5 million). Remuneration is determined with reference to market terms, the financial results of the Group and the performance, qualifications and experience of employees. Apart from basic remuneration, share options may be granted under the share option schemes of the Company to eligible employees by reference to the Group's performance as well as the individual's contribution. The Directors believe that the compensation packages offered by the Group to its staff are competitive in comparison with market standards and practices.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2024

The Board is pleased to present the unaudited condensed consolidated results of the Group for the Period, together with the comparative unaudited figures for the corresponding period in 2023, as follows:

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

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

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

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended 30 September 2024

	Attributable to the owners of the Company								Non-controlling interests	Total	
	Share capital	Share premium	Treasury share	Retained earnings	Shareholder contribution reserve	Share option reserve	Translation reserve	Other reserve (note)			Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1 April 2024 (Audited)	1,455	43,954	—	17,631	4,179	1,324	—	9,900	78,443	74	78,517
Loss for the period	—	—	—	(11,698)	—	—	—	—	(11,698)	(8)	(11,706)
Other comprehensive income:											
Exchange differences arising on translation of financial statements of foreign operation	—	—	—	—	—	—	3	—	3	—	3
Total comprehensive (loss) income for the period	—	—	—	(11,698)	—	—	3	—	(11,695)	(8)	(11,703)
Issue of shares upon exercise of share option	18	817	—	—	—	(674)	—	—	161	—	161
Dividends recognised as distribution (note 11)	—	(3,679)	—	—	—	—	—	—	(3,679)	—	(3,679)
Change in ownership interest in a subsidiary that does not result in change of control	—	—	—	(12)	—	—	—	—	(12)	12	—
Recognition of equity-settled share-based payments	—	—	—	—	—	1,135	—	—	1,135	—	1,135
Repurchase and cancellation of ordinary shares	(2)	(86)	(121)	—	—	—	—	—	(209)	—	(209)
At 30 September 2024 (Unaudited)	<u>1,471</u>	<u>41,006</u>	<u>(121)</u>	<u>5,921</u>	<u>4,179</u>	<u>1,785</u>	<u>3</u>	<u>9,900</u>	<u>64,144</u>	<u>78</u>	<u>64,222</u>
At 1 April 2023 (Audited)	1,434	46,633	(73)	21,193	4,179	1,555	19	9,900	84,840	125	84,965
Loss for the period	—	—	—	(839)	—	—	—	—	(839)	(39)	(878)
Other comprehensive loss:											
Exchange differences arising on translation of financial statements of foreign operation	—	—	—	—	—	—	(20)	—	(20)	—	(20)
Total comprehensive loss for the period	—	—	—	(839)	—	—	(20)	—	(859)	(39)	(898)
Dividends recognised as distribution (note 11)	—	(3,580)	—	—	—	—	—	—	(3,580)	—	(3,580)
Change in ownership interest in a subsidiary that does not result in change of control	—	—	—	(19)	—	—	—	—	(19)	19	—
Repurchase and cancellation of ordinary shares	(2)	(169)	73	—	—	—	—	—	(98)	—	(98)
At 30 September 2023 (Unaudited)	<u>1,432</u>	<u>42,884</u>	<u>—</u>	<u>20,335</u>	<u>4,179</u>	<u>1,555</u>	<u>(1)</u>	<u>9,900</u>	<u>80,284</u>	<u>105</u>	<u>80,389</u>

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

1. GENERAL

The Company was incorporated on 21 April 2016 in the Cayman Islands as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and the shares of the Company are listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Its parent and ultimate holding company is Somerley Group Limited (“SGL”), a company incorporated in Hong Kong with limited liabilities. The addresses of the registered office and the principal place of business of the Company are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and 20th Floor, China Building, 29 Queen’s Road Central, Central, Hong Kong, respectively.

The Company is principally engaged in investment holding. The Group’s operating subsidiaries are mainly engaged in the provision of corporate finance advisory services and asset management services.

These condensed consolidated financial statements are presented in Hong Kong dollars (“HK\$”) which is the same as the functional currency of the Company and all values are rounded to the nearest thousand except when otherwise indicated.

2. BASIS OF PREPARATION

The condensed consolidated financial statements of Somerley Capital Holdings Limited and its subsidiaries (collectively, the Group) for the period have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure provisions of Chapter 18 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”).

3. CHANGE IN ACCOUNTING POLICIES

The accounting policies used for the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 March 2024, except as described below:

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

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

The application of the amendments to HKFRSs in the Period has had no material impact on the Group’s financial performance and position for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of unaudited condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this unaudited condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2024.

5. SEGMENT INFORMATION

Information reported to the management of the Group, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of services provided. The directors of the Company have chosen to organise the Group around differences in services.

Specifically, the Group's reportable segments are (i) corporate finance advisory service and (ii) asset management service.

No geographical segment analysis on revenue and assets is provided as substantially all of the Group's revenue are derived from Hong Kong and non-current assets are substantially located in Hong Kong.

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

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

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

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

Other segment information

For the six months ended 30 September 2024

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

For the six months ended 30 September 2023

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

Information about major customers

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

6. REVENUE

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

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

Disaggregation of revenue by timing of recognition:

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

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

Six months ended 30 September	2024 <i>HK\$'000</i> (Unaudited)	2023 <i>HK\$'000</i> (Unaudited)
Investment income		
Interest income	846	872
Dividends from financial assets at fair value through profit or loss	40	—
Fair value gain on a derivative financial instrument	—	1,012
Fair value gain on financial assets at fair value through profit or loss	51	30
	<u>937</u>	<u>1,914</u>

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

8. LOSS BEFORE TAX

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

9. INCOME TAX CREDIT

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

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying corporation will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. No provision for Hong Kong profits tax has been made for the six months ended 30 September 2024 and 2023 as the Group did not generate any assessable profits arising in Hong Kong.

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

10. LOSS PER SHARE

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

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

Note: For the six months ended 30 September 2024 and 2023, diluted loss per share is same as basic loss per share. The computation of diluted loss per share does not assume the exercise of the Company's share options since their exercise would result in a decrease in loss per share.

11. DIVIDENDS

In accordance with the laws of the Cayman Islands and the Company's articles of association, the Company's share premium account is distributable to the shareholders provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

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

The Directors do not recommend the payment of interim dividend for the Period (30 September 2023: nil).

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

(i) Property and equipment and right-of-use assets

During the Period, the Group had addition of furniture and fixtures of approximately HK\$59,000 (2023: HK\$275,000). Additions to the right-of-use assets amounted to approximately HK\$15,078,000 (2023: nil) due to the renewal of the lease.

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

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

(ii) Lease liabilities

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

(iii) Amounts recognised in profit or loss

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

(iv) Others

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

13. TRADE RECEIVABLES AND PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 30 September 2024 <i>HK\$'000</i> (Unaudited)	As at 31 March 2024 <i>HK\$'000</i> (Audited)
Trade receivables (note)	11,138	14,540
Less: Impairment allowance	<u>(4,754)</u>	<u>(2,947)</u>
	<u><u>6,384</u></u>	<u><u>11,593</u></u>

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

	As at 30 September 2024 <i>HK\$'000</i> (Unaudited)	As at 31 March 2024 <i>HK\$'000</i> (Audited)
Prepayments, deposits and other receivables		
Analysed as:		
— non-current assets (rental deposits)	1,923	223
— current assets	<u>3,621</u>	<u>6,636</u>
	<u><u>5,544</u></u>	<u><u>6,859</u></u>

	As at 30 September 2024 <i>HK\$'000</i> (Unaudited)	As at 31 March 2024 <i>HK\$'000</i> (Audited)
Deposits and other receivables	2,053	2,473
Prepayments	1,733	1,383
Receivables from brokers	<u>1,758</u>	<u>3,003</u>
	<u><u>5,544</u></u>	<u><u>6,859</u></u>

Note:

The trade receivables are, in general, due upon the issuance of invoices. The Group does not hold any collateral over these balances. The following is an ageing analysis of trade receivables net of allowance for impairment of trade receivables presented based on the invoice date.

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

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

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

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

During the Period, trade receivables of approximately HK\$665,000 (2023: nil) were written off. The Group writes off trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. None of the trade receivables that have been written off is subject to enforcement activities.

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

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

CORPORATE GOVERNANCE AND OTHER INFORMATION

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board is committed to achieving and maintaining high standards of corporate governance practices and procedures. The Board believes that good corporate governance practices are essential to enhance stakeholders' confidence and support. During the Period, the Company has complied with the code provisions prescribed in the establishment and implementation of the corporate governance guidelines containing principles and code provisions of the Corporate Governance Code as set out in Part 2 of Appendix C1 to the GEM Listing Rules.

BOARD OF DIRECTORS AND CHANGE OF DIRECTOR INFORMATION

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

Executive Directors

Mr. SABINE Martin Nevil (*Chairman*)

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

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

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

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

Independent non-executive Directors

Mr. CHENG Yuk Wo

Mr. YUEN Kam Tim Francis

Mr. LAW Cheuk Kin Stephen

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

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

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

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

The Company repurchased a total of 178,000 and 302,000 Shares on the Stock Exchange at an aggregate consideration of HK\$86,830 and HK\$121,000 during the Period at prices ranging from HK\$0.405 to HK\$0.600 and from HK\$0.400 to HK\$0.500 pursuant to the mandates granted by shareholders at annual general meetings of the Company held on 15 September 2023 and 10 September 2024 respectively, with a view to benefiting shareholders as a whole by enhancing the net asset value per share and earnings per share of the Company. The share repurchase was financed by the Company with its existing available cash. The particulars of the share repurchase are as follows:

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

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

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

SHARE OPTION SCHEMES

Pre-IPO Share Option Scheme

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

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

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

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

Notes:

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

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

2023 Share Option Scheme

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

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

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

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

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

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

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

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

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

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

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

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

COMPETING INTERESTS

The Directors are not aware that any of the Directors, the controlling shareholders of the Company and their respective close associates (as defined in the GEM Listing Rules) competes or may compete with the business of the Group and has or may have any other conflict of interest with the Group during the Period.

AUDIT COMMITTEE

The Company has established an audit committee (the “Audit Committee”) with specific written terms of reference formulated in accordance with the requirements of rules 5.28 to 5.29 of the GEM Listing Rules. The Audit Committee currently consists of all the three independent non-executive Directors, namely Mr. CHENG Yuk Wo, Mr. YUEN Kam Tim Francis and Mr. LAW Cheuk Kin Stephen. Mr. CHENG Yuk Wo is the chairman of the Audit Committee. The primary duties of the Audit Committee are reviewing the annual reports and accounts, half-year reports and if prepared for publication, quarterly reports of the Group, making recommendations to the Board on the appointment and dismissal of external auditors, providing advice in respect of financial reporting, supervising risk management and internal control systems of the Group, reviewing the effectiveness of the internal audit function and monitoring any continuing connected transactions.

The Company has engaged the external auditor of the Company, Crowe (HK) CPA Limited (“Crowe”), to review the Group’s unaudited condensed consolidated financial statements for the Period. Based on Crowe’s review, nothing has come to Crowe’s attention that causes Crowe to believe that the unaudited condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

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

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.somerleycapital.com). The interim report of the Company for the six months ended 30 September 2024 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, 26 November 2024

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

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.