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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

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

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**SOMERLEY CAPITAL HOLDINGS LIMITED****Somerley Capital Holdings Limited****新百利融資控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8439)**

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

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A notice convening the annual general meeting of Somerley Capital Holdings Limited (the “Company”) to be held at 17/F., Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong on Tuesday, 23 August 2022 at 11:30 a.m. is set out on pages 17 to 21 of this circular. A form of proxy for use at the AGM is enclosed with this circular.

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

**PRECAUTIONARY MEASURES FOR THE AGM**

Please see page 1 of this circular for measures being taken to try to prevent and control the spread of the ongoing coronavirus disease (“COVID-19”) pandemic at the AGM, including:

- mandatory body temperature checks and health declarations;
- mandatory wearing of surgical face masks;
- no distribution of refreshments; and
- maintaining appropriate distancing and spacing between seats.

Any attendee who does not comply with the precautionary measures or is subject to any Hong Kong Government prescribed quarantine may be denied entry into the AGM venue. The Company reminds Shareholders that they may appoint the chairman of the AGM as their proxy to vote on the relevant resolutions at the AGM as an alternative to attending the AGM in person.

*This circular will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at [www.hkexnews.hk](http://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](http://www.somerleycapital.com).*

24 June 2022

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## CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE

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*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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## PRECAUTIONARY MEASURES FOR THE AGM

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The health of our Shareholders and other stakeholders is of paramount importance to us. In view of the ongoing COVID-19 pandemic and in compliance with the Hong Kong Government's directive on social distancing, personal and environmental hygiene, and the guidelines issued by the Centre for Health Protection of the Department of Health on the prevention of the COVID-19 pandemic, the Company will implement the following preventive measures at the AGM to protect attending Shareholders and other stakeholders from the risk of infection:

- (i) Mandatory body temperature checks will be conducted on every Shareholder, proxy and other attendees at the entrance of the AGM venue. Any person with a body temperature above the reference range quoted by the Department of Health from time to time, or exhibiting flu-like symptoms may be denied entry into the AGM venue and requested to leave;
- (ii) The attendees must wear surgical face masks inside the AGM venue at all times;
- (iii) No refreshments will be served; and
- (iv) Appropriate distancing and spacing in line with the guidance from the Hong Kong Government will be maintained and as such, the Company may limit the number of attendees at the AGM as may be necessary to avoid over-crowding.

Each attendee may be asked whether (a) he/she has travelled outside of Hong Kong within the 14-day period immediately before the AGM; and (b) he/she is subject to any Hong Kong Government prescribed quarantine. Anyone who responds positively to any of these questions may be denied entry into the AGM venue or be required to leave the AGM venue, but will be able to vote by submitting a voting slip to the scrutineer at the entrance of the AGM venue.

In addition, the Company reminds all Shareholders that physical attendance in person at the AGM is not necessary for the purpose of exercising voting rights. Shareholders may appoint the chairman of the AGM as their proxy to vote on the relevant resolution(s) at the AGM instead of attending the AGM in person, by completing and return the proxy form attached to this circular.

Subject to the development of COVID-19, the Company may implement further changes to the precautionary measures and may issue further announcement on such measures as appropriate.

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## DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at 17/F., Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong on Tuesday, 23 August 2022 at 11:30 a.m. to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 17 to 21 of this circular, or any adjournment thereof
“Articles”	the articles of association of the Company
“Board”	the board of Directors
“Close Associate(s)”	has the meaning ascribed to such term in the GEM Listing Rules
“Companies Law”	The Companies Law, Cap. 22 (Law 3 of 1961 as consolidated and revised) of the Cayman Islands
“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
“Core Connected Person(s)”	has the meaning ascribed to such term in the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“Extended Mandate”	a general mandate to add the aggregate number of Shares repurchased by the Company under the Repurchase Mandate to the Issue Mandate, subject to a maximum of 10% of the issued Shares as at the date of passing of the relevant resolution granting such mandate
“Final Dividend”	the proposed final dividend of HK2.5 cents per Share for the year ended 31 March 2022 as recommended by the Board
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandates”	the Issue Mandate, the Repurchase Mandate and the Extended Mandate
“Group”	the Company and its subsidiaries
“HK\$” or “Hong Kong dollar(s)”	Hong Kong dollars, the lawful currency of Hong Kong

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## DEFINITIONS

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“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	the general mandate proposed to be granted to the Directors at the AGM to exercise the power of the Company to allot, issue and deal with new Shares up to a maximum of 20% of the issued Shares as at the date of passing of the ordinary resolution granting such mandate
“Latest Practicable Date”	20 June 2022 being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular prior to its publication
“Pre-IPO Share Option Scheme”	the share option scheme approved and adopted by the Company on 11 May 2016
“Repurchase Mandate”	the general mandate proposed to be granted to the Directors at the AGM to exercise the power of the Company to repurchase Shares up to a maximum of 10% of the issued Shares as at the date of passing of the ordinary resolution granting such mandate
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Premium Account”	the share premium account of the Company, the amount standing to the credit of which was approximately HK\$49.1 million as at 31 March 2022 based on the audited consolidated financial statements of the Company as at that date
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs of Hong Kong
“%”	per cent



**SOMERLEY CAPITAL HOLDINGS LIMITED**

**Somerley Capital Holdings Limited**

**新百利融資控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8439)**

*Executive Directors:*

Mr. SABINE Martin Nevil (*Chairman*)

Mr. CHEUNG Tei Sing Jamie

Mr. CHOW Wai Hung Kenneth

*Independent Non-executive Directors:*

Mr. CHENG Yuk Wo

Mr. YUEN Kam Tim Francis

Mr. LAW Cheuk Kin Stephen

*Registered Office:*

Cricket Square

Hutchins Drive

PO Box 2681

Grand Cayman

KY1-1111, Caymans Islands

*Headquarters, Head Office and*

*Principal Place of Business*

*in Hong Kong:*

20th Floor

China Building

29 Queen's Road Central

Central

Hong Kong

24 June 2022

*To the Shareholders*

Dear Sir or Madam,

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

**INTRODUCTION**

The purpose of this circular is to: (i) provide you with information regarding certain resolutions to be put forward at the AGM including details of the proposed grant of the General Mandates to issue and repurchase Shares; and the payment of Final Dividend for the year ended 31 March 2022 out of Share Premium Account; (ii) set out an explanatory statement regarding the Repurchase Mandate; (iii) provide you with details of the proposed re-election of retiring Directors; and (iv) give you notice of the AGM.

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## LETTER FROM THE BOARD

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### PROPOSED GRANT OF THE GENERAL MANDATES

#### (a) Issue Mandate and Extended Mandate

At the AGM, ordinary resolutions will be proposed to grant to the Directors a general and unconditional mandate to exercise the powers of the Company (i) to allot, issue and deal with Shares not exceeding 20% of the issued Shares as at the date of passing of the relevant resolution at the AGM; and (ii) to add the aggregate number of Shares repurchased by the Company under the Repurchase Mandate to the Issue Mandate, subject to a maximum of 10% of the issued Shares as at the date of passing of the relevant resolution. As at the Latest Practicable Date, a total of 142,355,094 Shares were in issue. Subject to the passing of the proposed resolution granting the Issue Mandate to the Directors and on the assumption that there is no variation to the issued Shares during the period from the Latest Practicable Date to the date of the AGM, the Company will be allowed under the Issue Mandate to issue a maximum of 28,471,018 Shares.

#### (b) Repurchase Mandate

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

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

### PROPOSED PAYMENT OF FINAL DIVIDEND OUT OF SHARE PREMIUM ACCOUNT

The Board has recommended the declaration and payment of a final dividend of HK2.5 cents per Share out of the Share Premium Account for the year ended 31 March 2022, subject to the Shareholders' approval at the AGM. As at the Latest Practicable Date, the Company has 142,355,094 Shares in issue. Based on the number of issued Shares as at the Latest Practicable Date, the Final Dividend, if declared and paid, will amount to an aggregate amount of approximately HK\$3.6 million. Subject to the fulfilment of the conditions set out in the paragraph headed "Conditions of the Payment of Final Dividend out of Share Premium Account" below, the Final Dividend is intended to be paid out of the Share Premium Account pursuant to Article 134 of the Articles and in accordance with the Companies Law.

As at 31 March 2022, based on the audited consolidated financial statements of the Company, the amount standing to the credit of the Share Premium Account was approximately HK\$49.1 million. Following the payment of the Final Dividend, there will be a remaining balance of approximately HK\$45.5 million standing to the credit of the Share Premium Account.



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## LETTER FROM THE BOARD

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

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

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

Subject to the fulfilment of the above conditions, it is expected that the Final Dividend will be paid in cash on or about Friday, 9 September 2022 to those Shareholders whose names appear on the register of members of the Company at close of business on Monday, 29 August 2022, being the record date for determination of entitlements to the Final Dividend.

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

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

The Board considers it is appropriate to distribute the Final Dividend in recognition of the strong liquidity position of the Group.

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

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

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

The Final Dividend is payable to the Shareholders whose names appear on the register of members of the Company at close of business on Monday, 29 August 2022, being the record date for determination of entitlement to the Final Dividend. In order to qualify for the Final Dividend, all transfer forms accompanied by relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Union Registrars

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## LETTER FROM THE BOARD

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Limited, at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong for registration not later than 4:00 p.m. on Monday, 29 August 2022.

### PROPOSED RE-ELECTION OF DIRECTORS

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

The Board has received confirmation from Mr. Law, being an independent non-executive Director eligible for re-election at the AGM, regarding his independence. Taking into account the factors set out in Rule 5.09 of the GEM Listing Rules, the Board considers that Mr. Law continues to be independent. The Board considers that Mr. Law has satisfactorily discharged his duties since his appointment and believes his re-appointment as an independent non-executive Director can bring continuity and stability to the Board.

Mr. Law is a member of the Hong Kong Institute of Certified Public Accountants and a member of the Institute of Chartered Accountants in England and Wales. He is currently the managing director of ANS Capital Limited, an investment holding company, and held senior positions in various notable corporations in the past, and was a member of the executive directorate of MTR Corporation Limited. Mr. Law not only has extensive accounting and finance knowledge, but also comprehensive experience in corporate management.

Based on the above, the Board considers Mr. Law will continue to bring valuable business experience, knowledge and professionalism to the Board and contribute to the diversity of the Board and enhance the Company’s corporate governance. Therefore, the Board recommends the Shareholders to re-elect Mr. Law as independent non-executive Director at the AGM.

Having regard to the experience, skill and expertise as well as the overall board diversity of the Company, the nomination committee of the Company recommended re-election of the aforesaid retiring Directors to the Board. Accordingly, the Board has proposed that each of the above retiring Directors, namely Mr. SABINE Martin Nevil and Mr. Law, stands for re-election as Director by way of separate resolution at the AGM.

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

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## LETTER FROM THE BOARD

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### AGM AND PROXY ARRANGEMENT

The notice of the AGM is set out on pages 17 to 21 of this circular. At the AGM, resolutions will be proposed to approve, *inter alia*, the granting of the General Mandates, the payment of the Final Dividend out of the Share Premium Account and the re-election of Directors.

In order to be eligible to attend and vote at the AGM, all transfers of Shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration not later than 4:00 p.m. on Wednesday, 17 August 2022.

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

A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website ([www.somerleycapital.com](http://www.somerleycapital.com)) respectively. Whether or not you are able to attend the AGM, please complete and sign the form of proxy in accordance with the instructions printed thereon and return it, together with the power of attorney or other authority (if any) under which it is signed or a 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 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof if you so wish and in such event the form of proxy shall be deemed to be revoked.

### RESPONSIBILITY STATEMENT

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

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## LETTER FROM THE BOARD

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### RECOMMENDATION

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

### GENERAL INFORMATION

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

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

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

## **1. ISSUED SHARES**

As at the Latest Practicable Date, there were 142,355,094 Shares in issue.

Subject to the passing of the ordinary resolution set out in resolution no. 7 of the notice of the AGM in respect of the granting of the Repurchase Mandate and on the assumption that there is no variation to the issued Shares during the period from the Latest Practicable Date to the date of the AGM, the Directors would be authorised under the Repurchase Mandate to repurchase, during the period in which the Repurchase Mandate remains in force, a maximum of 14,235,509 Shares, representing approximately 10% of the issued Shares as at the date of the AGM.

## **2. REASONS FOR REPURCHASE OF SHARES**

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

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

## **3. FUNDING OF REPURCHASES**

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

## **4. IMPACT OF REPURCHASES**

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

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

5. TAKEOVERS CODE

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

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

Name of Shareholders	Number of Shares and underlying Shares held	Approximate percentage of existing shareholding	Approximate percentage of shareholding if Repurchase Mandate is exercised in full
Somerley Group Limited ( <i>Note 1</i> )	83,909,350	58.94%	65.49%
SABINE Martin Nevil (“ <b>Mr. Sabine</b> ”) ( <i>Notes 1 and 2</i> )	87,058,507	61.16%	67.95%
SABINE Maureen Alice (“ <b>Dr. Sabine</b> ”) ( <i>Note 3</i> )	87,058,507	61.16%	67.95%
FLETCHER John Wilfred Sword (“ <b>Mr. Fletcher</b> ”) ( <i>Notes 1 and 2</i> )	87,058,507	61.16%	67.95%
FLETCHER Jacqueline (“ <b>Mrs. Fletcher</b> ”) ( <i>Note 4</i> )	87,058,507	61.16%	67.95%
CHEUNG Tei Sing Jamie (“ <b>Mr. Cheung</b> ”) ( <i>Notes 1 and 2</i> )	87,058,507	61.16%	67.95%
CHOI Helen Oi Yan (“ <b>Mrs. Cheung</b> ”) ( <i>Note 5</i> )	87,058,507	61.16%	67.95%

Notes:

1. Somerley Group Limited is directly interested in 83,909,350 Shares and Somerley Group Limited is wholly-owned by Mr. Sabine, Mr. Fletcher, Mr. Cheung and Ms. Fong Sau Man Cecilia, of whom Mr. Sabine, Mr. Fletcher and Mr. Cheung are acting in concert in respect of their interests in the Company. Therefore, each of Mr. Sabine, Mr. Fletcher and Mr. Cheung is deemed to be interested in all the Shares held by them in aggregate by virtue of the SFO.

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## APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

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2. 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 the share options granted to Mr. Cheung by the Company under the Pre-IPO Share Option Scheme. As Mr. Sabine, Mr. Fletcher and Mr. Cheung are acting in concert in respect of their interests in the Company, each of Mr. Sabine, Mr. Fletcher and Mr. Cheung is deemed to be interested in all the Shares held by them in aggregate by virtue of the SFO.
3. Dr. Sabine is the spouse of Mr. Sabine. By virtue of the SFO, Dr. Sabine is deemed to be interested in the Shares held by Mr. Sabine.
4. Mrs. Fletcher is the spouse of Mr. Fletcher. By virtue of the SFO, Mrs. Fletcher is deemed to be interested in the Shares held by Mr. Fletcher.
5. Mrs. Cheung is the spouse of Mr. Cheung. By virtue of the SFO, Mrs. Cheung is deemed to be interested in the Shares held by Mr. Cheung.

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

### 6. GENERAL

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

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

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

### 7. REPURCHASES OF SHARES MADE BY THE COMPANY

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

**8. MARKET PRICES OF SHARES**

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

<b>Month</b>	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2021</b>		
June	1.4	1.29
July	1.39	1.39
August	1.5	1.4
September	1.5	1.39
October	1.62	1.43
November	1.6	0.76
December	1.6	1.4
<b>2022</b>		
January	1.5	1.5
February*	N/A	N/A
March*	N/A	N/A
April*	N/A	N/A
May	N/A	N/A
June (up to the Latest Practicable Date)*	N/A	N/A

\* No dealings in the Shares were made in February 2022, March 2022, April 2022 and May 2022 or have been made from 1 June 2022 up to the Latest Practicable Date.



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

**Executive Director**

**Mr. SABINE Martin Nevil**, aged 74, was appointed as a Director on 21 April 2016 and designated as an executive Director and appointed as the chairman of the Company on 9 March 2017. He is the chairman of Somerley Capital Limited and a director of Somerley (Hong Kong) Limited and Environmental Investment Services Asia Limited, subsidiaries of the Company in Hong Kong. He is also the chairman of the Nomination Committee and the compliance officer of the Company. Mr. Sabine is responsible for overseeing business development of the Group, cultivating long-term client relationships, introducing new clients and projects, monitoring industry developments and liaising with team heads and members on specific transactions. He graduated with a Bachelor of Arts degree from the University of Oxford in July 1969. He was awarded a Thouron Scholarship to attend the Wharton Graduate School of Business of the University of Pennsylvania in that year. He received a Master's Degree in Business Administration from the Wharton Graduate School of Business and was elected to the Beta Gamma Sigma honour society in April 1971.

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

Mr. Sabine is the author of a well-known book on corporate finance, which has been translated into Chinese, Italian and Spanish. The fourth edition, entitled "Corporate Finance: IPO and M&A" was published in 2021. Mr. Sabine is a member of the Takeovers and Mergers Panel, a member of the Listing Review Committee and a fellow of the Hong Kong Securities and Investment Institute.

Mr. Sabine has entered into a service agreement with the Company for a term of 3 years commencing on 28 March 2020. He is subject to retirement by rotation and re-election at the AGM in accordance with the Articles. Pursuant to the terms of his service agreement, Mr. Sabine is entitled to a remuneration of HK\$3,936,000 per annum which was determined with reference to his duties and responsibilities with the Company and its subsidiaries, and in respect of each financial year during the appointment, a discretionary bonus of a sum to be determined by the remuneration committee of the Company and approved by the board of directors of the Company at its absolute discretion having regard to the operating results of the Company and its subsidiaries and the performance of Mr. Sabine.

Mr. Sabine, Mr. Fletcher and Mr. Cheung are shareholders of Somerley Group Limited. In addition, Mr. Sabine, Mr. Fletcher and Mr. Cheung are the controlling shareholders of the Company as they are acting in concert in respect of their interests in the Company.

As at the Latest Practicable Date, Mr. Sabine is interested in 87,058,507 Shares in the Company, among which 83,909,350 Shares are held by Somerley Group Limited, 220,000 Shares are held by Mr. Sabine, 50,000 Shares are held by Mr. Fletcher, 645,717 Shares are the share options granted to Mr. Cheung by the Company under the Pre-IPO Share Option Scheme adopted by the Company on 11 May 2016 and 2,233,440 shares are the shares held by Mr. Cheung. Save as disclosed, Mr. Sabine does not have any other interests in the Shares or underlying Shares within the meaning of Part XV of the SFO.

### **Independent non-executive Director**

**Mr. LAW Cheuk Kin Stephen**, aged 59, was appointed as an independent non-executive Director on 15 February 2019. He is also a member of the Audit Committee and Nomination Committee. Mr. Law is currently the managing director of ANS Capital Limited, an investment holding company. Mr. Law is also currently an independent non-executive director of China Everbright Limited (stock code: 165), Bank of Guizhou Co., Ltd. (stock code: 6199), China Galaxy Securities Co., Ltd. (stock code: SH601881 and 6881), CSPC Pharmaceutical Group Limited (stock code: 1093) and Keymed Biosciences Inc (stock code: 2162). Mr. Law served as the finance director and a member of the executive directorate of MTR Corporation Limited (stock code: 66) (“MTR”) from July 2013 to July 2016. Prior to joining MTR, he was the chief financial officer of Guoco Group Limited (stock code: 53). Prior to that, Mr. Law had served as the managing director of TPG Growth Capital (Asia) Limited and had also held various senior positions in the Morningside Group and the Wheelock Group. He was also an independent non-executive director of Stealth BioTherapeutics Corp. (stock code: MITO.Nasdaq), which has been listed on Nasdaq since February 2019, until July 2019. He is also currently a council member of the Hong Kong Institute of Certified Public Accountants, a member of the board of directors of SOW (Asia) Foundation and a council member of Hong Kong Business Accountants Association. He also served as an adjunct professor of Hong Kong Polytechnic University from 2015 to 2017. He is a member of the Hong Kong Institute of Certified Public Accountants and a member of the Institute of Chartered Accountants in England and Wales. Mr. Law has been appointed by the Ministry of Finance of the People’s Republic of China as an expert consultant. Mr. Law holds a Bachelor’s degree in Science (Civil Engineering) from the University of Birmingham, the United Kingdom and also received a Master’s degree in Business Administration from the University of Hull, the United Kingdom.

Mr. Law has entered into a service agreement with the Company for a term of 3 years commencing on 28 March 2020. He is subject to retirement by rotation and re-election at the AGM in accordance with the Articles. Pursuant to the terms of his service agreement, Mr. Law is entitled to a remuneration of HK\$240,000 per annum which was determined with reference to his duties and responsibilities with the Company.

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

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

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



**SOMERLEY CAPITAL HOLDINGS LIMITED**

**Somerley Capital Holdings Limited**

**新百利融資控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8439)**

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “AGM”) of Somerley Capital Holdings Limited (the “**Company**”) will be held at 17/F., Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong on Tuesday, 23 August 2022 at 11:30 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the directors and auditor of the Company for the year ended 31 March 2022;
2. (a) To approve the declaration and payment of a final dividend of HK2.5 cents per share of the Company out of the share premium account of the Company (the “**Final Dividend**”) to shareholders of the Company whose names appear on the register of members of the Company on the record date fixed by the board of directors of the Company for determining the entitlements to the Final Dividend;  
  
(b) To authorise any director of the Company to take such action, do such things and execute such further documents as the director of the Company may at his absolute discretion consider necessary or desirable for the purpose of or in connection with the implementation of the payment of the Final Dividend;
3. (a) To re-elect Mr. SABINE Martin Nevil as an executive director of the Company;  
  
(b) To re-elect Mr. LAW Cheuk Kin Stephen as an independent non-executive director of the Company;
4. To authorise the board of directors of the Company to fix the remuneration of the directors of the Company;
5. To re-appoint SHINEWING (HK) CPA Limited as auditor of the Company and to authorise the board of directors of the Company to fix its remuneration;

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## NOTICE OF ANNUAL GENERAL MEETING

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

6. **“THAT**

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

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## NOTICE OF ANNUAL GENERAL MEETING

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

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

7. **“THAT**

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

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## NOTICE OF ANNUAL GENERAL MEETING

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

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

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

Hong Kong, 24 June 2022

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

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

*Notes:*

- (a) In order to be eligible to attend and vote at the AGM, all transfers of shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company’s branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong for registration not later than 4:00 p.m. on Wednesday, 17 August 2022.
- (b) Any member of the Company entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company. A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him to attend and vote on his behalf. If more than one proxy is so appointed, the appointment shall specify the number of shares in respect of which each such proxy is so appointed.
- (c) To be valid, a form of proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy thereof, must be lodged at the Company’s branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for holding the AGM or any adjournment thereof (as the case may be).

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- (d) Completion and return of the form of proxy shall not preclude members from attending and voting in person at the AGM or at any adjournment thereof (as the case may be) should they so wish, and in such case, the form(s) of proxy previously submitted by such member(s) shall be deemed to be revoked.
- (e) Where there are joint registered holders of any share(s) of the Company, any one of such joint holders may vote at the AGM, either in person or by proxy, in respect of such share(s) as if he were solely entitled thereto; but if more than one of such joint holders are present at the AGM personally or by proxy, the vote of that one of the joint holders so present whose name stands first on the register of members of the Company in respect of such share(s) shall be accepted to the exclusion of the votes of the other joint holders.
- (f) An explanatory statement containing further details regarding resolution no. 7 above is set out in Appendix I to the circular of which this notice of AGM forms part (the “Circular”).
- (g) Details of the retiring directors of the Company are set out in Appendix II to the Circular.
- (h) A form of proxy for use at the AGM is published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.somerleycapital.com](http://www.somerleycapital.com)).
- (i) If Typhoon Signal No. 8 or above, or a “black” rainstorm warning or extreme conditions caused by super typhoons is in effect in Hong Kong any time after 7:30 a.m. on the date of the AGM, the meeting will be postponed. The Company will post an announcement on the websites of the Company at [www.somerleycapital.com](http://www.somerleycapital.com) and the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) to notify members of the date, time and place of the rescheduled meeting.
- (j) The Final Dividend is payable to the Shareholders whose names appear on the register of members of the Company at close of business on Monday, 29 August 2022, being the record date for determination of entitlement to the Final Dividend. In order to qualify for the Final Dividend, all transfer forms accompanied by relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Union Registrars Limited, at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong for registration not later than 4:00 p.m. on Monday, 29 August 2022. The Final Dividend will be paid in cash on or about Friday, 9 September 2022.

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

*This notice will remain on the “Latest Listed Company Information” page of the website the Stock Exchange at [www.hkexnews.hk](http://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](http://www.somerleycapital.com).*