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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)

DISCLOSEABLE TRANSACTION IN RESPECT OF THE TENANCY AGREEMENT FOR LEASING OF OFFICE PREMISES

THE TENANCY AGREEMENT

The Board is pleased to announce that on 25 April 2024, the Company entered into the Tenancy Agreement for the renewal of the lease in respect of the Premises for a term of three years commencing on 1 July 2024 and ending on 30 June 2027.

IMPLICATIONS UNDER THE GEM LISTING RULES

In accordance with HKFRS 16 Leases, the Company will recognise the unaudited value of the right-of-use asset on its consolidated statement of financial position in connection with the leasing of the Premises under the Tenancy Agreement. Accordingly, the transaction under the Tenancy Agreement will be regarded as an acquisition under the definition of transactions set out in Rule 19.04(1)(a) of the GEM Listing Rules.

As one or more of the applicable percentage ratios under Rule 19.07 of the GEM Listing Rules in respect of the aggregated value of the right-of-use asset under the Tenancy Agreement are more than 5% but less than 25%, the transaction contemplated thereunder constitutes a discloseable transaction on the part of the Company and is subject to the reporting and announcement requirements but is exempted from the circular and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

The Board is pleased to announce that on 25 April 2024, the Company entered into the Tenancy Agreement for the renewal of the lease in respect of the Premises for a term of three years commencing on 1 July 2024 and ending on 30 June 2027.

THE TENANCY AGREEMENT

Set out below is a summary of the principal terms of the Tenancy Agreement:

Date	:	25 April 2024
Landlord	:	Vember Lord Limited
Tenant	:	The Company
Premises	:	The whole of 20th Floor, China Building, 29 Queen's Road Central, Hong Kong
Term	:	Three (3) years commencing on 1 July 2024 and ending on 30 June 2027 (both days inclusive)
Usage	:	Use as the office premises of the Group
Total rent	:	HK\$17,288,388 (exclusive of government rent, rates, building management fees and other service charges)
Deposit	:	HK\$1,696,219
Payment terms	:	The monthly rent shall be payable monthly in advance on the first day of each calendar month.

THE RIGHT-OF-USE ASSET

The unaudited value of the right-of-use asset to be recognised by the Company under the terms of the Tenancy Agreement amounts to approximately HK\$16.1 million, which is the present value of total consideration payable at the inception of the lease terms of the Tenancy Agreement in accordance with HKFRS 16. A discount rate of approximately 4.5% has been applied to compute the present value of total consideration payable under the terms of the Tenancy Agreement. The total rent will be settled from the internal resources of the Company. The final amount of the right-of-use asset to be recorded by the Company will be subject to audit.

REASONS FOR ENTERING INTO THE TENANCY AGREEMENT

The Group is currently leasing the Premises and the existing tenancy agreement will expire on 30 June 2024. The Directors are of the view that it is in the interests of the Company to enter into the Tenancy Agreement having considered that (i) the Group would be able to maintain stable office premises for its business operations in Hong

Kong for the next three years; (ii) maintaining the Group's operations on the Premises will save relocation and renovation costs; and (iii) the monthly rental of the Premises under the Tenancy Agreement is competitive in view of market conditions.

The terms of the Tenancy Agreement, including the rental charge, were determined after arm's length negotiations between the parties and with reference to the open market rent of comparable office properties. The entering into of the Tenancy Agreement is desirable for continuing the business operations of the Group at the Premises and is in the ordinary and usual course of business of the Group. Taking into account the above, the Board considers that the Tenancy Agreement is on normal commercial terms which are fair and reasonable and that the entering into of the Tenancy Agreement is in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE PARTIES

The Group is 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 is principally engaged in providing corporate finance advisory services through its subsidiaries in Hong Kong and Beijing.

The Landlord is a wholly-owned subsidiary of CK Asset Holdings Limited (the shares of which are listed on the Main Board of the Stock Exchange, stock code: 1113) and is principally engaged in property investment.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Landlord and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

IMPLICATIONS UNDER THE GEM LISTING RULES

In accordance with HKFRS 16 Leases, the Company will recognise the unaudited value of the right-of-use asset on its consolidated statement of financial position in connection with the leasing of the Premises under the Tenancy Agreement. Accordingly, the transaction under the Tenancy Agreement will be regarded as an acquisition under the definition of transaction set out in Rule 19.04(1)(a) of the GEM Listing Rules.

As one or more of the applicable percentage ratios under Rule 19.07 of the GEM Listing Rules in respect of the aggregated value of the right-of-use asset under the Tenancy Agreement are more than 5% but less than 25%, the Tenancy Agreement constitutes a discloseable transaction on the part of the Company and is subject to the reporting and announcement requirements but is exempted from the circular and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

DEFINITION

“Board”	the Board of Directors
“Company”	Somerley Capital Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the GEM of the Stock Exchange (stock code: 8439)
“connected person(s)”	has the same meaning as under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Landlord”	Vember Lord Limited, being the landlord of the Premises
“Premises”	20th Floor, China Building, 29 Queen’s Road Central, Hong Kong
“Shareholder(s)”	holder(s) of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	the tenancy agreement dated 25 April 2024 entered into between the Landlord and the Company in relation to the lease of the Premises and related documents
“%”	per cent

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

Hong Kong, 25 April 2024

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

This announcement, for which the Directors 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 for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this 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.

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.