



# 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)**

## **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2025**

### **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.*

## FINANCIAL HIGHLIGHTS

- The Group continued to derive its revenue primarily from its corporate finance advisory services, recognising total revenue of approximately HK\$51.6 million for the year ended 31 March 2025 (the “Year”) (2024: approximately HK\$67.4 million), representing a year-on-year decrease of approximately 23.4%. The decrease was mainly due to severe fee competition in the Hong Kong corporate finance industry.
- Revenue generated from acting as financial adviser (“FA”) and as independent financial adviser (“IFA”) for the Year amounted to approximately HK\$33.7 million (2024: approximately HK\$43.0 million), accounting for approximately 65.3% of the Group’s total revenue (2024: approximately 63.8%).
- Revenue generated from acting as compliance adviser (“CA”) for the Year amounted to approximately HK\$17.3 million (2024: approximately HK\$24.2 million), accounting for approximately 33.5% of the Group’s total revenue (2024: approximately 35.9%).
- For the Year, the Group recorded a loss before tax of approximately HK\$13.9 million (2024: approximately HK\$3.6 million) and a loss after tax of approximately HK\$13.8 million (2024: approximately HK\$3.6 million). The significant increase in loss was mainly due to the approximately HK\$15.8 million decrease in revenue for the Year, partially offset against by the reduction in total operating expenses as a result of the cost optimisation programme.
- The Group’s net assets as at 31 March 2025 decreased to approximately HK\$62.5 million from approximately HK\$78.5 million as at 31 March 2024 mainly due to the loss for the Year of approximately HK\$13.8 million, with recognition of approximately HK\$1.6 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”) has recommended the payment of a final dividend of HK2.0 cents per share for the Year (2024: HK2.5 cents per share), subject to the approval of the shareholders of the Company (the “Shareholders”) at the forthcoming annual general meeting. Such proposed dividend will be payable on 17 October 2025 to the Shareholders whose names appear on the register of members of the Company at close of business on 6 October 2025. The final dividend will absorb approximately HK\$2.9 million (2024: approximately HK\$3.7 million) as at the date of this announcement.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

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 (“SCL”) 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 adviser to cross-border mergers and acquisitions.

The Hong Kong corporate finance market in 2024–2025 faced tough challenges due to economic uncertainties and geopolitical tensions. These issues shook investor confidence and made transactions harder to complete. The stock market’s recent rebound is welcome but did not come in time to affect 2024-25 results. The challenging business conditions were exacerbated by intense competition affecting revenue. However, as illustrated below, the second half of the financial year saw improvement.

**For the year ended  
31 March**

	<b>2025</b>					<b>2024</b>
	<b>1st half</b>	<b>Q3</b>	<b>Q4</b>	<b>2nd half</b>	<b>Total</b>	<b>Total</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
Revenue	<u>24,003</u>	<u>15,346</u>	<u>12,247</u>	<u>27,593</u>	<u>51,596</u>	<u>67,374</u>
Investment income	937	307	627	934	1,871	3,013
Other income and gain, net	428	175	220	395	823	90
Employee benefits costs	(26,256)	(11,977)	(11,185)	(23,162)	(49,418)	(53,357)
Depreciation	(3,511)	(1,557)	(1,551)	(3,108)	(6,619)	(7,893)
Other operating expenses	(4,434)	(2,028)	(2,246)	(4,274)	(8,708)	(10,619)
Others*	<u>(2,874)</u>	<u>(628)</u>	<u>103</u>	<u>(525)</u>	<u>(3,399)</u>	<u>(2,188)</u>
Loss before tax	(11,707)	(362)	(1,785)	(2,147)	(13,854)	(3,580)
Adjustment for bonus	—	—	1,647 <sup>#</sup>	1,647	1,647	3,773
Adjustment for share-based payment and impairment loss recognised in respect of intangible asset	1,135	407	193	600	1,735	650
Adjusted (loss) profit before tax	<u>(10,572)</u>	<u>45</u>	<u>55</u>	<u>100</u>	<u>(10,472)</u>	<u>843</u>

\* Others include share of losses of associates, finance costs, and impairment losses recognised in respect of intangible asset and trade receivables.

<sup>#</sup> The bonus noted above is part of the cost optimisation programme introduced principally in the last quarter of FY2024/25.

During the first half of the financial year 2024/25 (“FY2024/25”), the Group reported an approximately 25.9% decrease in revenue and an interim loss of approximately HK\$11.7 million. In response, the Group launched a cost optimisation programme to revamp the employee remuneration package and strengthen operational cost control. For the last quarter of FY2024/25, the Group reduced average monthly total employee benefits costs (excluding bonuses and share-based payment expenses) and other recurring operating expenses by approximately HK\$1.0 million as compared to the average corresponding figures incurred for the first half of FY2024/25. Revenue for the second half of FY2024/25 showed an increase over the first half and the Group reported adjusted breakeven for the last quarter of FY2024/25 and for the second half of FY2024/25.

For the Year, the Group recorded a loss before tax of approximately HK\$13.9 million (2024: approximately HK\$3.6 million). The significant increase in loss was mainly due to the approximately HK\$15.8 million decrease in revenue for the Year, partially offset by the reduction in total operating expenses as a result of the cost optimisation programme, implemented since December 2024.

The corporate finance advisory business segment recorded revenue of approximately HK\$51.6 million (2024: approximately HK\$67.4 million) and a segment loss before tax of approximately HK\$10.7 million (2024: approximately HK\$1.7 million) for the Year. The significant increase in loss was mainly due to the decrease in revenue for the Year. A segment loss before tax of approximately HK\$1.9 million (2024: approximately HK\$1.1 million) was incurred by the Group’s asset management business, carried on by Environmental Investment Services Asia Limited (“EISAL”), during the Year. In view of current market conditions, the Group has been proceeding cautiously in examining ways to re-activate its asset management business.

## FINANCIAL REVIEW

### Revenue

The Group continued to derive its revenue primarily from its corporate finance advisory services, recognising total revenue of approximately HK\$51.6 million for the Year (2024: approximately HK\$67.4 million), representing a year-on-year decrease of approximately 23.4%. The decrease was mainly due to severe fee competition in the Hong Kong corporate finance industry.

	<b>For the year ended</b>	
	<b>31 March</b>	
	<b>2025</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Corporate finance advisory fee income</b>		
— from acting as financial adviser	<b>14,842</b>	20,340
— from acting as independent financial adviser	<b>18,853</b>	22,634
	<b>33,695</b>	42,974
— from acting as compliance adviser	<b>17,313</b>	24,230
— others	<b>588</b>	170
	<b>51,596</b>	67,374

Revenue generated from acting as FA and as IFA for the Year amounted to approximately HK\$33.7 million (2024: approximately HK\$43.0 million), accounting for approximately 65.3% of the Group's total revenue (2024: approximately 63.8%). The decrease was mainly due to the severe fee competition in Hong Kong corporate finance industry.

Revenue generated from acting as CA for the Year amounted to approximately HK\$17.3 million (2024: approximately HK\$24.2 million), accounting for approximately 33.5% of the Group's total revenue (2024: approximately 35.9%). Revenue from acting as CA decreased due to a lower level of IPOs and a scheduled run-off of existing CA mandates.

## Investment Income, Other Income and Gain, 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 year ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
<b>Investment income</b>		
Interest income	1,508	1,828
Dividends from financial assets at fair value through profit or loss	64	14
Fair value gain on derivative financial instrument ( <i>note</i> )	—	1,012
Fair value gain of financial assets at fair value through profit or loss	299	159
	<u>1,871</u>	<u>3,013</u>

The decrease in investment income was mainly due to the absence of the one-off fair value gain as a result of the exercise of derivative financial instrument upon the disposal of the Group's 12.5% equity interest in CSpro (Hong Kong) Limited ("CSpro") (formerly known as Signum Digital Limited) recognised during the year ended 31 March 2024.

Other income and gain, net mainly represents management service fee income from Somerley Group Limited ("SGL"), rental income and reimbursement of other premises expenses from SGL and net exchange difference.

	For the year ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
<b>Other income and gain, net</b>		
Management fee income from ultimate holding company	135	180
Office sharing income and reimbursement of other premises expenses from ultimate holding company	742	773
Exchange loss, net	(54)	(66)
Loss on deemed disposal of an associate ( <i>note</i> )	—	(797)
	<u>823</u>	<u>90</u>

The increase in other income and gain was primarily attributable to the absence of one-off loss on deemed disposal of 12.5% equity interest in CSpro recognised during the year ended 31 March 2024.

*Note:* On 10 August 2023, the Group entered into a supplemental agreement with CoinstreetPro (Global) Limited to acquire a derivative financial instrument as regards the Group's investment in CSpro on contributing further capital of HK\$0.9 million for the business development of CSpro. After completion, the Group's interest in CSpro was diluted from 25% to 12.5%, resulting in a loss on deemed disposal of an associate of approximately HK\$0.8 million recognised during the year ended 31 March 2024. On 7 March 2024, the Group exercised the derivative financial instrument to dispose of the remaining interest in CSpro and realised a fair value gain on derivative financial instrument of approximately HK\$1.0 million during the year ended 31 March 2024 as set out in the tables above.

### 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 year ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
Fees, salaries, allowances and other benefits	44,186	47,816
Discretionary bonuses	1,647	3,773
Contributions to the retirement benefits scheme	1,151	1,118
Share-based payment expenses	1,635	650
Severance payments	799	—
	<u>49,418</u>	<u>53,357</u>

Employee benefits costs decreased by approximately 7.5% to approximately HK\$49.4 million for the Year from approximately HK\$53.4 million for the year ended 31 March 2024. This decrease was primarily due to the decrease in fees and salaries as a result of the revamped remuneration package since December 2024 and the decrease in discretionary bonuses, offset against by an increase in share-based payments and severance payments paid during the Year.



## Depreciation and Other Operating Expenses

The Group adopted HKFRS 16 under which the present value of total rental expenses of all non-cancellable operating leases are recorded as right-of-use assets and will be depreciated over the lease terms. Other operating expenses mainly consist of 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, including for the Group's medical scheme for employees.

	For the year ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
Depreciation of property and equipment	555	760
Depreciation of right-of-use assets	<u>6,064</u>	<u>7,133</u>
	6,619	7,893
Other premises expenses	2,114	1,882
Consultancy fee	—	1,002
Insurance expenses	1,114	930
Introduction expenses	204	230
IT-related expenses	1,299	1,358
Recurring GEM listing expenses (excluding remuneration of independent non-executive directors)	1,375	1,903
Others	<u>2,602</u>	<u>3,314</u>
	<u><u>15,327</u></u>	<u><u>18,512</u></u>

The Group's depreciation and other operating expenses decreased by approximately 17.3% to approximately HK\$15.3 million for the Year from approximately HK\$18.5 million for the year ended 31 March 2024. The net decrease was mainly due to the enhancement of cost control and the absence of additional professional fees incurred for the amendments of the articles of association of the Company and the adoption of the share option scheme, and consultancy fee incurred for developing the digital asset business during the year ended 31 March 2024.

### **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\$1.9 million for the year ended 31 March 2024 to approximately HK\$2.3 million for the Year was mainly due to the extended ageing of the trade receivables due from one significant debtor with total overdue balance of approximately HK\$3.8 million aged over 365 days and fully impaired as at 31 March 2025. The Group received the partial settlement of HK\$0.5 million from this debtor during the Year and has been actively engaging with this debtor to pursue further settlement rounds.

### **Income tax expense**

The Group's income tax expense primarily includes provisions for Profits Tax in Hong Kong and Corporate Income Tax in the People's Republic of China, and deferred income tax expenses.

### **Loss for the Year**

For the Year, the Group recorded a loss before tax of approximately HK\$13.9 million (2024: approximately HK\$3.6 million) and a loss after tax of approximately HK\$13.8 million (2024: approximately HK\$3.6 million). The significant increase in loss was mainly due to the approximately HK\$15.8 million decrease in revenue for the Year, partially offset against by the reduction in total operating expenses as a result of the cost optimisation programme mentioned above.

## **OUTLOOK AND PROSPECTS**

Conditions continue to be volatile and challenging but these are the type of circumstances where Hong Kong's adaptability can still allow it to thrive. Activity in the stock market, a significant backdrop for corporate finance transactions, has been strong in the last few months, including a world-leading IPO performance. That does not translate automatically into a more profitable corporate finance market, where competition is still fierce, but it certainly helps. Against this backdrop, the Group is cautiously optimistic about reporting improved financial performance in the first half of the current financial year ending 31 March 2026.

## **LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

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

As at 31 March 2025, the Group's net current assets amounted to approximately HK\$56.5 million (2024: approximately HK\$73.9 million), and liquidity as represented by its current ratio was approximately 7.6 times (2024: approximately 10.7 times). Cash and cash equivalents amounted to approximately HK\$51.6 million as at 31 March 2025 (2024: approximately HK\$60.2 million). The functional currency of the Group is Hong Kong dollars. As at 31 March 2025, approximately HK\$2.1 million of the Group's cash and cash equivalents was denominated in other currencies (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"). During the Year, net proceeds of approximately HK\$0.2 million (2024: approximately HK\$0.2 million) was raised by issue of new Shares pursuant to the exercise of share options. The Group had neither banking facilities nor borrowings as at 31 March 2024 and 2025.

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

#### **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 material capital commitment as at 31 March 2025 (2024: nil). The Group did not have plans for material investments or capital assets as at 31 March 2025 and up to the date of this announcement.

#### **MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES OR JOINT VENTURES**

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

#### **SIGNIFICANT INVESTMENTS**

Except for investments in subsidiaries and interests in associates, the Group did not hold any significant investments during the Year.

#### **CHARGE ON ASSETS & CONTINGENT LIABILITIES**

As at 31 March 2025, the Group did not have any charges on its assets (2024: nil) or material contingent liabilities (2024: nil).

## **GEARING RATIO**

As at 31 March 2025, the Group did not have any borrowings (2024: nil) and hence a gearing ratio (a ratio of total borrowings to total assets) is not applicable.

## **DIVIDEND**

The board of Directors (the “Board”) has recommended the payment of a final dividend of HK2.0 cents per Share for the Year (2024: HK2.5 cents per Share), subject to the approval of the shareholders of the Company (the “Shareholders”) at the forthcoming annual general meeting.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks and uncertainties to which the Group is subject are summarised as follows:

- (i) The Group’s corporate finance advisory segment accounts for its major operations and contributes a majority of its financial performance. The revenue generated from corporate finance advisory businesses is unpredictable and volatile owing to the economic and financial environments. The corporate finance industry is (a) in general highly competitive, affecting the Group’s profit margins; and (b) strictly regulated so that any non-compliance (either by the Group or by its employees) or changes of laws, rules or regulation may have material and adverse impact and consequences;
- (ii) Delays or terminations of transactions or defaults or delays in payments by clients may have an adverse impact on the Group’s financial performance;
- (iii) The Group’s business continuity is reliant on key management personnel. Failure to retain and motivate them or to attract suitable replacements would have an adverse impact on operations;
- (iv) The trademark used by SCL is subject to the trademark usage agreement and such non-exclusive trademark may be adversely affected by acts of SGL;
- (v) Potential exposure to professional liability and litigation;
- (vi) The Group’s internal control system may be subject to failures and limitations; and
- (vii) The Group may experience failure in or disruption to its computer systems and data storage.

## **TREASURY POLICIES**

The Group has adopted a prudent approach on treasury management for the purpose of maintaining a healthy liquidity position. The Group closely monitors the liquidity position of the Group to ensure that the liquidity structure of the Group's assets, liabilities and other commitments is consistently able to meet its funding requirements. 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 had 40 employees as at 31 March 2025 (2024: 47) and the total employee benefits costs amounted to approximately HK\$49.4 million for the Year (2024: approximately HK\$53.4 million).

The Group's remuneration policies are in line with the prevailing market practices and the employees' compensation packages are determined on the basis of work performance, market standard of remuneration, qualification and experience of individual employees. The Group provides retirement benefits in accordance with the relevant laws and regulations in the place where the staff is employed. The share option scheme adopted in 2023 is in place to motivate, reward and retain employees of the Group. The Group also develops training programs for its employees or sponsors the employees to attend various job-related training courses.

## **COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS**

The major laws and regulations that have a significant impact on the Group's business include the Companies Ordinance, the SFO, the Anti-Money Laundering and Counter-Terrorist Financing Ordinance, the Rules Governing the Listing of Securities on the Stock Exchange and GEM Listing Rules. As far as the Board and the Group's management are aware, the Group has complied in all material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the Year, there was no material breach of, or non-compliance with, applicable laws and regulations by the Group.

# **CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the year ended 31 March 2025*

		<b>2025</b>	<b>2024</b>
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	4	<b>51,596</b>	67,374
Investment income	5	<b>1,871</b>	3,013
Other income and gain, net	5	<b>823</b>	90
Employee benefits costs		<b>(49,418)</b>	(53,357)
Depreciation		<b>(6,619)</b>	(7,893)
Share of losses of associates		—	(13)
Finance costs on lease liabilities		<b>(1,036)</b>	(298)
Impairment loss recognised in respect of intangible asset	12	<b>(100)</b>	—
Impairment loss recognised in respect of trade receivables	13	<b>(2,263)</b>	(1,877)
Other operating expenses		<b>(8,708)</b>	(10,619)
Loss before tax	6	<b>(13,854)</b>	(3,580)
Income tax credit (expense)	7	<b>15</b>	(33)
Loss for the year		<b>(13,839)</b>	(3,613)
<i>Other comprehensive loss</i>			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of financial statements of foreign operations		<b>(3)</b>	(19)
Total comprehensive loss for the year		<b>(13,842)</b>	(3,632)
Loss for the year attributable to:			
Owners of the Company		<b>(13,809)</b>	(3,543)
Non-controlling interests		<b>(30)</b>	(70)
		<b>(13,839)</b>	(3,613)

		2025	2024
	NOTES	HK\$'000	HK\$'000
Total comprehensive loss for the year attributable to:			
Owners of the Company		(13,812)	(3,562)
Non-controlling interests		<u>(30)</u>	<u>(70)</u>
		<u>(13,842)</u>	<u>(3,632)</u>
Loss per share			
— basic and diluted ( <i>HK cents</i> )	9	<u>(9.41)</u>	<u>(2.46)</u>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*As at 31 March 2025*

	<i>NOTES</i>	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Non-current assets			
Property and equipment	<i>11</i>	<b>1,112</b>	1,607
Right-of-use assets	<i>10</i>	<b>11,818</b>	2,816
Goodwill		—	—
Intangible asset	<i>12</i>	<b>1,200</b>	1,300
Interests in associates		—	—
Rental deposits	<i>13</i>	<b>1,817</b>	223
Deferred tax assets		<b>81</b>	92
		<b>16,028</b>	6,038
Current assets			
Trade receivables	<i>13</i>	<b>8,074</b>	11,593
Prepayments, deposits and other receivables	<i>13</i>	<b>3,467</b>	6,636
Financial assets at fair value through profit or loss	<i>14</i>	<b>523</b>	2,690
Amount due from ultimate holding company		<b>1,313</b>	438
Tax recoverable		<b>66</b>	3
Cash and cash equivalents		<b>51,624</b>	60,163
		<b>65,067</b>	81,523
Current liabilities			
Contract liability		<b>399</b>	557
Other payables and accruals		<b>2,691</b>	2,231
Lease liabilities	<i>10</i>	<b>5,471</b>	2,519
Provision for reinstatement cost		—	2,300
Tax payable		—	35
		<b>8,561</b>	7,642
Net current assets		<b>56,506</b>	73,881
Total assets less current liabilities		<b>72,534</b>	79,919



		2025	2024
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current liabilities			
Lease liabilities	10	6,784	578
Provision for long service payment		716	610
Provision for reinstatement cost		2,300	—
Deferred tax liabilities		197	214
		<u>9,997</u>	<u>1,402</u>
Net assets		<u>62,537</u>	<u>78,517</u>
Capital and reserves			
Share capital	15	1,468	1,455
Treasury shares		(11)	—
Reserves		<u>61,024</u>	<u>76,988</u>
Equity attributable to owners of the Company		62,481	78,443
Non-controlling interests		<u>56</u>	<u>74</u>
Total equity		<u>62,537</u>	<u>78,517</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 March 2025*

### 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 disclosed in the corporate information section to the annual report.

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 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. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied, for the first time, the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) which are effective for the Company’s financial year beginning on 1 April 2024:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 and Non-current liabilities with covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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

## New and amendments to HKFRSs issued but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKAS 21	Lack of Exchangeability <sup>1</sup>
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity <sup>2</sup>
Annual Improvements to HKFRS Accounting Standards 2024	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 <sup>2</sup>
HKFRS 18 and consequential amendments to other HKFRSs	Presentation and Disclosure in Financial Statements <sup>3</sup>
HKFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>3</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2025

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027

<sup>4</sup> Effective for annual periods beginning on or after a date to be determined

Except for the new and amendments mentioned below, the directors of the Company anticipate that the application of all new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

## HKFRS 18 Presentation and Disclosure in Financial Statements and consequential amendments to other HKFRSs

HKFRS 18 replaces HKAS 1 Presentation of Financial Statements (“HKAS 1”). It carries forward many requirements from HKAS 1 unchanged. HKFRS 18 brings major changes to the consolidated statement of profit or loss and other comprehensive income and notes to the consolidated financial statements as follows:

### **(a) HKFRS 18 requires an entity:**

- (i) to classify income and expenses into operating, investing and financing categories in the consolidated statement of profit or loss and other comprehensive income, plus income taxes and discontinued operations;
- (ii) to present two new defined subtotals, namely, operating profit or loss and profit or loss before financing and income taxes.

**(b)** It requires an entity to disclose management-defined performance measures (“MPM”) and reconciliations between MPM and subtotals listed in HKFRS 18 or totals or subtotals required by HKFRSs.

**(c)** It sets out requirements to help an entity determine whether information about items should be in the primary financial statements or in the notes and provides principles for determining the level of detail needed for the information.

HKFRS 18 also set out classification requirements for foreign exchange differences, the gain or loss on the net monetary position, and gains and losses on derivatives and designated hedging instruments.

In addition, some paragraphs in HKAS 1 have been moved to HKAS 8 Basis of Preparation of Financial Statements and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18 and consequential amendments to other HKFRSs are effective for annual reporting periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the consolidated statement of comprehensive income and disclosures in the future consolidated financial statements. The Group is in the process of assessing the detailed impact on the consolidated financial statements.

### 3. 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.

During the years ended 31 March 2025 and 2024, the directors of the Company have organised the Group into different segments by types of services provided.

Specifically, the Group's reportable segments are as follows:

1. Corporate finance advisory service
2. Asset management service

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

	For the year ended 31 March 2025			For the year ended 31 March 2024		
	Corporate finance advisory service HK\$'000	Asset management service HK\$'000	Total HK\$'000	Corporate finance advisory service HK\$'000	Asset management service HK\$'000	Total HK\$'000
Segment revenue	<u>51,596</u>	<u>—</u>	<u>51,596</u>	<u>67,374</u>	<u>—</u>	<u>67,374</u>
Segment loss	(10,688)	(1,945)	(12,633)	(1,658)	(1,132)	(2,790)
Investment income			1,871			2,481
Share of losses of associates			—			(13)
Corporate and other unallocated expenses			<u>(3,092)</u>			<u>(3,258)</u>
Loss before tax			<u>(13,854)</u>			<u>(3,580)</u>

The account policies of the operating segments are the same as the Group's accounting policies. Segment loss represents the loss 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 year ended 31 March 2025	Corporate finance advisory service HK\$'000	Asset management service HK\$'000	Corporate HK\$'000	Total HK\$'000
Amounts included in the measure of segment profit or loss:				
Depreciation of property and equipment	514	—	41	555
Depreciation of right-of-use assets	4,781	249	1,034	6,064
Impairment loss recognised in respect of intangible asset	—	100	—	100
Impairment loss recognised in respect of trade receivables	2,263	—	—	2,263
Interest income	—	—	1,508	1,508
For the year ended 31 March 2024	Corporate finance advisory service HK\$'000	Asset management service HK\$'000	Corporate HK\$'000	Total HK\$'000
Amounts included in the measure of segment profit or loss:				
Depreciation of property and equipment	744	5	11	760
Depreciation of right-of-use assets	6,486	211	436	7,133
Impairment loss recognised in respect of trade receivables	1,877	—	—	1,877
Interest income	530	2	1,296	1,828

#### Geographical information

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

### Information about major customers

No customer accounted for 10% or more of the Group's revenue for the years ended 31 March 2025 and 2024.

## 4. REVENUE

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

	2025 HK\$'000	2024 HK\$'000
<b>Corporate finance advisory fee income</b>		
— from acting as financial adviser	14,842	20,340
— from acting as independent financial adviser	18,853	22,634
— from acting as compliance adviser	17,313	24,230
— others	588	170
	<u>51,596</u>	<u>67,374</u>

Disaggregation of revenue by timing of recognition:

	2025 HK\$'000	2024 HK\$'000
Timing of revenue recognition		
Over time	49,772	62,802
At a point in time (fee income from acting as financial adviser)	<u>1,824</u>	<u>4,572</u>
	<u>51,596</u>	<u>67,374</u>

### Transaction price allocated to the remaining performance obligations

As at 31 March 2025, the aggregate amount of transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) is approximately HK\$16,038,000 (2024: HK\$18,680,000). The amount represents revenue expected to be recognised in the future from corporate finance advisory services as follows:

	2025 HK\$'000	2024 HK\$'000
<b>Remaining performance obligations expected to be satisfied:</b>		
from 1 April 2024 to 31 March 2025	—	17,365
from 1 April 2025 to 31 March 2026	14,145	1,275
from 1 April 2026 to 31 March 2027	1,810	40
from 1 April 2027 to 31 March 2028	<u>83</u>	<u>—</u>
	<u>16,038</u>	<u>18,680</u>

The above amounts do not include variable consideration which is constrained.

## 5. INVESTMENT INCOME AND OTHER INCOME AND GAIN, NET

	2025 HK\$'000	2024 HK\$'000
<b>Investment income</b>		
Interest income	1,508	1,828
Dividends from financial assets at fair value through profit or loss	64	14
Fair value gain on derivative financial instrument	—	1,012
Fair value gain on financial assets at fair value through profit or loss	299	159
	<u>1,871</u>	<u>3,013</u>
	2025 HK\$'000	2024 HK\$'000
<b>Other income and gain, net</b>		
Management fee income from ultimate holding company	135	180
Office sharing income and reimbursement of other premises expenses from ultimate holding company	742	773
Exchange loss, net	(54)	(66)
Loss on deemed disposal of an associate	—	(797)
	<u>823</u>	<u>90</u>

## 6. LOSS BEFORE TAX

	2025 HK\$'000	2024 HK\$'000
Loss before tax has been arrived at after charging:		
Directors' emoluments	12,514	11,100
Other employee's emoluments		
Salaries, allowances and benefits in kind	32,731	36,457
Discretionary bonuses	1,430	3,773
Contributions to retirement benefits scheme	1,095	1,082
Provision for long service payment	222	343
Equity-settled share-based payment expenses	1,426	602
	<u>49,418</u>	<u>53,357</u>
Total employee benefits costs		
Auditor's remuneration	450	481
Depreciation for property and equipment	555	760
Depreciation for right-of-use assets	6,064	7,133
Impairment loss recognised in respect of intangible asset	100	—
Impairment loss recognised in respect of trade receivables	2,263	1,877

## 7. INCOME TAX (CREDIT) EXPENSE

	2025 HK\$'000	2024 HK\$'000
Current income tax:		
Hong Kong	—	65
Over provision in prior years:		
Hong Kong	(4)	(23)
People's Republic of China	(5)	—
Deferred taxation	(6)	(9)
	<u>(15)</u>	<u>33</u>

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “Bill”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying corporation will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. For the year ended 31 March 2024, Hong Kong profits tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. The profits of other group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%. No provision for Hong Kong Profits tax has been made for the year ended 31 March 2025 as the Group did not generate any assessable profits arising in Hong Kong.

Under the Law of the People's Republic of China (“PRC”) on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25%. No provision for PRC Enterprise Income Tax has been made for the years ended 31 March 2025 and 2024 as the Group's subsidiary established in the PRC had no assessable profits arising in the PRC.

The income tax expense for the year can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2025 HK\$'000	2024 HK\$'000
Loss before tax	<u>(13,854)</u>	<u>(3,580)</u>
Tax at domestic income tax rate of 16.5% (2024: 16.5%)	(2,286)	(591)
Tax effect of expenses not deductible	284	285
Tax effect of income not taxable for tax purpose	(259)	(482)
Over provision in respect of prior years	(9)	(23)
Tax effect of tax loss not recognised	1,953	608
Tax effect of deductible temporary difference not recognised	302	300
Tax effect of two tier profits tax rates regime	—	(64)
Income tax (credit) expense	<u>(15)</u>	<u>33</u>



At the end of the reporting period, the Group has estimated tax losses of approximately HK\$38,814,000 (2024: HK\$27,300,000) that are available for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax asset has not been recognised due to the unpredictability of future profit streams. As at 31 March 2025, the unrecognised tax losses of approximately HK\$28,000 (2024: HK\$9,000) will expire within five years and the remaining tax losses may be carried forward indefinitely.

## 8. DIVIDENDS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Dividends recognised as distribution during the year:		
— 2024 Final — HK2.5 cents (2024: 2023 final dividend — HK2.5 cents) per share	<u>3,679</u>	<u>3,580</u>

Subsequent to the end of the reporting period, a final dividend of HK2.0 cents (2024: HK2.5 cents) per share in respect of the year ended 31 March 2025 has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting.

## 9. LOSS PER SHARE

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss		
Loss attributable to owners of the Company, used in the basic and diluted loss per share calculation	<u>(13,809)</u>	<u>(3,543)</u>
	<b>Number of shares</b>	
	<b>2025</b>	<b>2024</b>
Shares		
Weighted average number of ordinary shares during the year used in the basic and diluted loss per share calculation ('000)	<u>146,769</u>	<u>144,142</u>

*Note:* For the years ended 31 March 2025 and 2024, 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 outstanding share options since their assumed exercise would result in a decrease in loss per share.

## 10. LEASES

### (i) Right-of-use assets

	2025 HK\$'000	2024 HK\$'000
Land and buildings	<u>11,818</u>	<u>2,816</u>

The Group has lease arrangements for land and buildings. The lease terms are three years (2024: three years). The payment terms of lease are fixed with no extension option.

Additions to the right-of-use assets for the year ended 31 March 2025 amounted to approximately HK\$15,078,000 (2024: nil), due to renewal of existing leases of land and buildings.

### (ii) Lease liabilities

	2025 HK\$'000	2024 HK\$'000
Analysed as:		
— non-current	6,784	578
— current	<u>5,471</u>	<u>2,519</u>
	<u>12,255</u>	<u>3,097</u>

Amounts payable under lease liabilities:

	2025 HK\$'000	2024 HK\$'000
Within one year	5,471	2,519
After one year but within two years	5,365	578
After two years but within five years	<u>1,419</u>	<u>—</u>
	<u>12,255</u>	<u>3,097</u>
Less: Amount due for settlement within 12 months	<u>(5,471)</u>	<u>(2,519)</u>
Amount due for settlement after 12 months	<u>6,784</u>	<u>578</u>

The incremental borrowing rates used for determination of the present value of the remaining lease payments were ranged from 9.11% to 10.97% (2024: 2.30% to 10.97%) per annum.

(iii) Amounts recognised in profit or loss

	2025 HK\$'000	2024 HK\$'000
Depreciation expense on right-of-use assets	6,064	7,133
Interest expenses on lease liabilities	<u>1,036</u>	<u>298</u>

(iv) Others

During the year ended 31 March 2025, the total cash outflow for leases including interest paid on lease liabilities and payment of lease liabilities amounted to approximately HK\$6,944,000 (2024: HK\$7,488,000).

11. GOODWILL

	HK\$'000
<b>COST</b>	
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	<u>1,123</u>
<b>IMPAIRMENT</b>	
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	<u>1,123</u>
<b>CARRYING VALUE</b>	
At 31 March 2025	<u>—</u>
At 31 March 2024	<u>—</u>

For the purposes of impairment testing, goodwill set out above has been allocated to the CGU, relating to the asset management service segment.

Based on the profit forecast prepared by the management, the recoverable amount, which was primarily affected by lack of new subscription for the investment fund and the increasingly competitive business environment of asset management service, was estimated to be less than its carrying amount.

## 12. INTANGIBLE ASSET

HK\$'000

### COST

At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	9,000
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### IMPAIRMENT

At 1 April 2023, 31 March 2024 and 1 April 2024	7,700
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Impairment recognised during the year	100
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At 31 March 2025	7,800
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### CARRYING VALUE

At 31 March 2025	1,200
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At 31 March 2024	1,300
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The intangible asset represents licences for regulated activities issued by the SFC (“Licences”).

The Licences are considered by the directors of the Company as having indefinite useful lives because it is expected that the Licences will continue to be valid and will contribute net cash inflows for the Group in the foreseeable future. The Licences will not be amortised until their useful lives are determined to be finite. Instead they will be tested for impairment annually and whenever there is an indication that they may be impaired.

As at 31 March 2025 and 2024, the management of the Group conducted an impairment assessment on intangible asset which has been allocated to the CGUs, relating to the asset management service segment. An independent valuer, Ravia Global Appraisal Advisory Limited, was engaged by the management of the Group to assess the recoverable amount of intangible asset with reference to the fair value less cost of disposal based on Level 3 hierarchy using replacement cost approach with key assumptions in relation to labour expense. Such estimation is based on the unit’s past experience and management’s expectations for the market and regulatory development. As at 31 March 2025, the carrying amounts of the intangible asset have been reduced to their recoverable amounts and impairment losses of HK\$100,000 (2024: nil) was recognised during the year ended 31 March 2025 with reference to the fair value less cost of disposal. The carrying amounts of intangible asset after impairment amounted to HK\$1,200,000 (2024: HK\$1,300,000).

## 13. TRADE RECEIVABLES AND PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables ( <i>note</i> )	12,467	14,540
Less: Impairment allowance ( <i>note</i> )	(4,393)	(2,947)
	<u>8,074</u>	<u>11,593</u>

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Prepayments, deposits and other receivables:		
Analysed as:		
— non-current assets (rental deposits)	1,817	223
— current assets	<u>3,467</u>	<u>6,636</u>
	<u><b>5,284</b></u>	<u><b>6,859</b></u>

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Deposits and other receivables	1,950	2,473
Prepayments	1,533	1,383
Receivables from brokers	<u>1,801</u>	<u>3,003</u>
	<u><b>5,284</b></u>	<u><b>6,859</b></u>

The ECL on receivables from brokers and deposits and other receivables are estimated individually by reference to past experience of default and general economic condition of the industry at the reporting date. There has not been a significant change in the credit risk since initial recognition. The Group estimated the 12-month ECL on deposits and other receivables and receivables from brokers were not significant.

*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.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 90 days	6,393	8,461
91–180 days	1,455	1,104
Over 180 days	<u>226</u>	<u>2,028</u>
Total	<u><b>8,074</b></u>	<u><b>11,593</b></u>

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated collectively grouped by past due status. 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.

**At 31 March 2025**

	Weighted average expected loss rate %	Gross carrying amount HK\$'000	Loss allowance HK\$'000
Less than 90 days past due	0.75	6,441	48
91–180 days past due	4.78	1,528	73
181–270 days past due	26.44	208	55
271–365 days past due	63.50	200	127
More than 365 days past due	100.00	4,090	4,090
		<b>12,467</b>	<b>4,393</b>

**At 31 March 2024**

	Weighted average expected loss rate %	Gross carrying amount HK\$'000	Loss allowance HK\$'000
Less than 90 days past due	0.76	8,526	65
91–180 days past due	5.24	1,165	61
181–270 days past due	33.99	2,795	950
271–365 days past due	74.58	720	537
More than 365 days past due	100.00	1,334	1,334
		<b>14,540</b>	<b>2,947</b>

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

	2025 HK\$'000	2024 HK\$'000
At the beginning of the year	2,947	1,070
Impairment losses recognised on trade receivables	2,263	1,877
Amount written-off as uncollectible	(817)	—
At the end of the year	<b>4,393</b>	<b>2,947</b>

During the year ended 31 March 2025, trade receivables of approximately HK\$817,000 (2024: 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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Financial assets mandatorily measured at fair value through profit or loss		
— Listed equity securities, Hong Kong	523	2,690
— Unlisted equity investment ( <i>note</i> )	—	—
	<u>523</u>	<u>2,690</u>

*Note:*

As at 31 March 2025, the Directors considered that there is evidence indicating that the investment in Ace Eight has no realistic prospect of recovery. As such, the Directors considered that the fair value of the investment was nil.

#### 15. SHARE CAPITAL

Details of the share capital of the Company are as follows:

	Number of shares <i>'000</i>	Amount <i>HK\$'000</i>
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	<u>200,000</u>	<u>2,000</u>
Issued and fully paid:		
At 1 April 2023	143,406	1,434
Exercise of share options ( <i>note i</i> )	2,353	23
Share repurchase ( <i>note iii</i> )	<u>(216)</u>	<u>(2)</u>
At 31 March 2024 and 1 April 2024	145,543	1,455
Exercise of share options ( <i>note ii</i> )	1,777	18
Share repurchase ( <i>note iv</i> )	<u>(558)</u>	<u>(5)</u>
At 31 March 2025	<u>146,762</u>	<u>1,468</u>

Details of the treasury shares of the Company are as follows:

	Number of shares repurchased '000	Amount HK\$'000
At 1 April 2023	94	1
Shares repurchased ( <i>note iii</i> )	122	1
Cancellation of repurchased shares ( <i>note iii</i> )	(216)	(2)
	<hr/>	<hr/>
At 31 March 2024 and 1 April 2024	—	—
Shares repurchased ( <i>note iv</i> )	586	6
Cancellation of repurchased shares ( <i>note iv</i> )	(558)	(5)
	<hr/>	<hr/>
At 31 March 2025	<u>28</u>	<u>1</u>

*Notes:*

- (i) During the year ended 31 March 2024, share options were exercised at subscription price of approximately HK\$0.09 per ordinary share, resulting in the issue of 2,352,629 ordinary shares for proceeds of approximately HK\$212,000. An amount of approximately HK\$881,000 was transferred from share option reserve to the share premium account upon exercise of the share options.
- (ii) During the year ended 31 March 2025, share options were exercised at subscription price of approximately HK\$0.09 per ordinary share, resulting in the issue of 1,776,970 ordinary shares for proceeds of approximately HK\$161,000. An amount of approximately HK\$674,000 was transferred from share option reserve to the share premium account upon exercise of the share options.
- (iii) In accordance with a shareholders' resolution passed by the shareholders of the Company at the annual general meeting held on 23 August 2022, the directors of the Company were granted a general mandate to repurchase shares not exceeding 10% of its issued shares as at the date of passing that resolution. A total of 122,000 shares were repurchased by the Company at a total consideration of approximately HK\$98,000 during the year ended 31 March 2024. 96,000 and 120,000 repurchased shares were cancelled in May 2023 and August 2023 respectively.
- (iv) In accordance with shareholders' resolutions passed by the shareholders of the Company at the annual general meetings held on 15 September 2023 and 10 September 2024, the directors of the Company were granted a general mandate to repurchase shares not exceeding 10% of its issued shares as at the date of passing that resolution. A total of 178,000 and 408,000 shares were repurchased by the Company pursuant to the mandates granted at a total consideration of approximately HK\$88,000 and HK\$167,000, respectively, during the year ended 31 March 2025. 170,000, 8,000, 302,000 and 78,000 repurchased shares were cancelled in August 2024, September 2024, January 2025 and March 2025 respectively. As at 31 March 2025, 28,000 shares were repurchased but not yet cancelled.

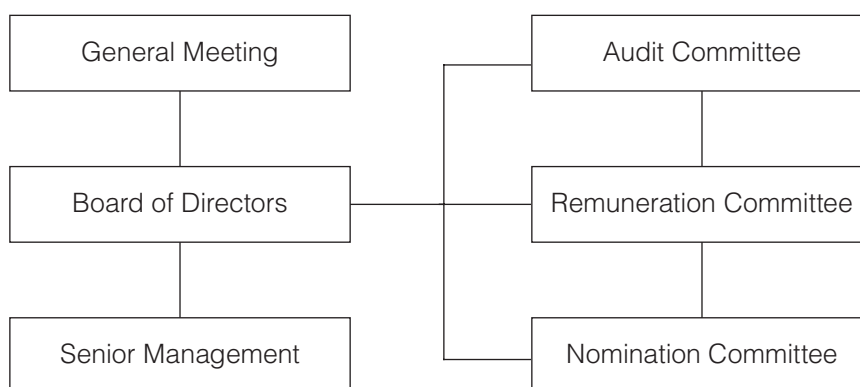


## CORPORATE GOVERNANCE PRACTICES

During the Year, the Company has adopted the principles and code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 to the GEM Listing Rules as the basis of the Company’s corporate governance practices. The Board is of the view that the Company has complied with the principles and code provision set out in the CG Code during the Year and up to the date of this announcement.

The Board will keep the corporate governance practices of the Group under continual review to ensure consistent application, and will make updates and improvements in line with the developments of the CG Code as well as the growing expectations of the Shareholders and other stakeholders.

The Corporate Governance Structure of the Company during the Year and up to the date of this announcement is as follows:



## DIRECTORS

During the Year and up to the date of this announcement, the Directors have been and are:

### Executive Directors

Mr. SABINE Martin Nevil (*Chairman of the Board*)

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

## AUDIT COMMITTEE

The Company has established 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 written terms of reference of the Audit Committee was adopted in compliance with the code provisions D.3.3 and D.3.7 of the CG Code. A copy of the terms of reference of the Audit Committee has been posted on the Company's website at [www.somerleycapital.com](http://www.somerleycapital.com) and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk). The Audit Committee is comprised of three independent non-executive Directors. During the Year and up to the date of this announcement, the members of the Audit Committee have been and are:

Mr. CHENG Yuk Wo (*Chairman of the Audit Committee*)

Mr. YUEN Kam Tim Francis

Mr. LAW Cheuk Kin Stephen

The primary duties of the Audit Committee include, but not limited to, reviewing the annual reports and accounts, half-year reports, and if prepared for publication, quarterly reports, making recommendations to the Board on the appointment and dismissal of external auditor, monitoring the independence and objectivity of external auditor, overseeing the integrity of financial information and financial reporting system, supervising the internal control system and internal audit functions and ensuring such functions are adequately resourced, and monitoring and reviewing any continuing connected transaction and related party transaction.

During the Year, the Audit Committee held four meetings. The external auditor, Crowe (HK) CPA Limited, held a separate meeting with independent non-executive Directors and attended two meetings in conjunction with the release of the half year and full year results announcements. The major work performed by the Audit Committee during the Year included:

- i. reviewed the annual results (including annual financial statements, annual report and final results announcement) for the year ended 31 March 2024 and interim results (including interim financial statements, interim report and interim results announcement) for the six months ended 30 September 2024 and recommended the same to the Board for approval;
- ii. reviewed reports submitted by external auditor on its statutory audit of the annual financial statements for the year ended 31 March 2024 and its review of the interim financial statements for the six months ended 30 September 2024;
- iii. reviewed the external auditor's statutory audit plan for the year ended 31 March 2024, reporting obligations and the terms of the engagement;
- iv. reviewed the independence and objectivity of the external auditor, the scope and nature of audit and non-audit services and audit-related and non-audit fees;

- v. reviewed reports submitted by an independent consulting firm on the efficiency of internal control system of the Group, including the findings and recommendations, and the implementation status of previous recommendations;
- vi. reviewed the adequacy on staffing and resources, staff qualifications and experience, of the accounting and financial reporting function; and
- vii. reviewed the continuing connected transactions and related party transactions undertaken by the Group.

There is no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. There is no disagreement between the Board and the Audit Committee regarding the selection, appointment, resignation or dismissal of the external auditor. The Audit Committee has reviewed the remuneration of the Company's auditor for the Year, and has recommended to the Board the re-appointment of Crowe (HK) CPA Limited as the auditor of the Company for the Year, subject to approval by the Shareholders at the forthcoming annual general meeting, which is to be held on 29 September 2025.

Full minutes of the Audit Committee meetings are kept by the Company Secretary and are open for inspection by any committee members. Draft and final versions of minutes were sent to all members of the Audit Committee for their comments and records respectively within a reasonable time after the meeting.

#### **SCOPE OF WORK OF CROWE (HK) CPA LIMITED**

The figures in respect of the Group's consolidated financial statements and the related notes thereto for the Year as set out in this announcement have been agreed by the Group's auditor, Crowe (HK) CPA Limited, as to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by Crowe (HK) CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Crowe (HK) CPA Limited on this announcement.

#### **DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for dealing in securities of the Company by the Directors (the "Required Standard of Dealings").

Having made specific enquiries of all Directors, all Directors confirmed that they have complied with the Required Standard of Dealings throughout the Year and up to the date of this announcement.

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

The Company repurchased a total of 178,000 and 408,000 Shares on the Stock Exchange at an aggregate consideration of HK\$86,830 and HK\$165,680 during the Year at prices ranging from HK\$0.405 to HK\$0.600 and from HK\$0.370 to HK\$0.520 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 repurchases were financed by the Company with its existing available cash. The particulars of the share repurchases 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	302,000	0.500	0.400	121,000
January 2025	22,000	0.520	0.400	9,220
February 2025	46,000	0.480	0.415	20,430
March 2025	38,000	0.450	0.370	15,030
Total	<u>586,000</u>			<u>252,510</u>

170,000 Shares, 8,000 Shares, 302,000 Shares and 78,000 Shares were cancelled on 9 August 2024, 4 September 2024, 28 January 2025 and 28 March 2025 respectively. As at 31 March 2025, 28,000 Shares were repurchased but not yet cancelled.

Saved as disclosed above, during the Year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities (including sale of treasury shares) of the Company. As at 31 March 2025, the Company did not hold any treasury shares.

## EVENTS AFTER THE REPORTING PERIOD

There is no material subsequent event undertaken by the Company or by the Group after 31 March 2025 and up to the date of this announcement.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

This announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.somerleycapital.com](http://www.somerleycapital.com)). The annual report of the Company for the Year 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, 20 June 2025

*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](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).*