



# SOMERLEY CAPITAL HOLDINGS LIMITED

**Somerley Capital Holdings Limited**

**新百利融資控股有限公司**

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

**(Stock Code: 8439)**

## **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

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

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

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

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*This announcement, for which the directors of Somerley Capital Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company and its subsidiaries (together, the “Group”). The directors of the Company (the “Directors”), having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

## **INTERIM FINANCIAL HIGHLIGHTS**

- The Group's total revenue decreased by approximately 29.3% to approximately HK\$25.3 million for the six months ended 30 September 2022 (the "Period") from approximately HK\$35.8 million for the six months ended 30 September 2021.
- Revenue generated from acting as financial adviser ("FA") and as independent financial adviser ("IFA") for the Period amounted to approximately HK\$12.8 million (2021: approximately HK\$24.1 million), accounting for approximately 50.6% of the Group's total revenue (2021: approximately 67.3%).
- Revenue generated from acting as compliance adviser ("CA") for the Period amounted to approximately HK\$12.2 million (2021: approximately HK\$11.7 million), accounting for approximately 48.2% of the Group's total revenue (2021: approximately 32.7%).
- For the Period, the Group recorded a loss before tax of approximately HK\$9.5 million (2021: profit before tax of approximately HK\$0.2 million), and after-tax loss was approximately HK\$9.4 million (2021: after-tax profit of approximately HK\$0.2 million). The loss was primarily due to the decrease in revenue.
- The Group's net assets as at 30 September 2022 decreased to approximately HK\$82.4 million from approximately HK\$95.4 million as at 31 March 2022 mainly due to the loss for the Period of approximately HK\$9.4 million and distribution of 2021–2022 final dividend of approximately HK\$3.6 million.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW AND PROSPECT**

#### **Analysis of Principal Businesses**

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

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

During the first half of 2022–23, the general economic environment for Hong Kong corporate finance business was unhelpful. Hong Kong IPOs were subdued and the volume of M&A transactions reduced. The deal activities of the Group’s corporate finance advisory segment have been dampened by the generally weak stock market performance in Hong Kong and China, the increasing interest rates and the general tightening of availability of finance for acquisitions. The Group’s corporate finance advisory business has been adversely affected by these unhelpful conditions, coupled with fierce fee competition in the corporate finance industry.

During the Period, the Group recorded a loss before tax of approximately HK\$9.5 million (2021: profit before tax of approximately HK\$0.2 million) and a loss after tax of approximately HK\$9.4 million (2021: profit after tax of approximately HK\$0.2 million). The loss was mainly due to unhelpful conditions for Hong Kong corporate finance advisory services and fierce fee competition, resulting in an approximately HK\$10.5 million decrease in revenue during the Period. The corporate finance advisory business segment recorded revenue of approximately HK\$25.3 million (2021: approximately HK\$35.8 million) and a segment loss before tax of approximately HK\$6.8 million (2021: profit before tax of approximately HK\$2.3 million). A segment loss before tax of approximately HK\$0.6 million (2021: approximately HK\$0.8 million) was incurred by the Group’s asset management business segment during the Period.

## **Prospects**

The Group's revenue for the Period dropped to approximately HK\$25.3 million as compared to last year. Despite the drop in revenue during the Period, income derived from acting as compliance adviser increased slightly from approximately HK\$11.7 million to approximately HK\$12.2 million. Prospects for the second half of financial year are difficult to predict but recurring fees generated from acting as compliance adviser are expected to remain stable. Although the level of corporate finance activity remains subdued at the start of the second half of current financial year, the Directors believe the Group's increased marketing efforts will bear fruit as corporate finance activity picks up again.

## **FINANCIAL REVIEW**

### **Revenue**

The Group's total revenue decreased by approximately 29.3% to approximately HK\$25.3 million for the Period from approximately HK\$35.8 million for the six months ended 30 September 2021.

Revenue generated from acting as FA and as IFA for the Period amounted to approximately HK\$12.8 million (2021: approximately HK\$24.1 million), accounting for approximately 50.6% of the Group's total revenue (2021: approximately 67.3%). The decrease is mainly due to the unhelpful conditions for corporate finance advisory services and fierce fee competition.

Revenue generated from acting as CA for the Period amounted to approximately HK\$12.2 million (2021: approximately HK\$11.7 million), accounting for approximately 48.2% of the Group's total revenue (2021: approximately 32.7%). CA activities continue to provide a stable source of income to the Group, complementing the more fluctuating corporate finance advisory income.

### **Other Income**

Other income mainly represented bank interest income, dividend income, management service fee income from Somerley Group Limited ("SGL") and reimbursement of other premise expenses from SGL.

## Employee Benefits Costs

The Group's employee benefits costs primarily consist of fees, salaries, bonuses and allowances as well as contributions to the retirement benefits scheme for the Directors and the employees of the Group.

|   | For the six months ended<br>30 September |               |
|---|--|---------------|
|   | 2022                                     | 2021          |
|   | HK\$'000                                 | HK\$'000      |
| Fees, salaries, allowances and other benefits   | 24,057                                   | 24,292        |
| Contributions to the retirement benefits scheme | 569                                      | 537           |
|   | <u>24,626</u>                            | <u>24,829</u> |
| Analysed as:                                    |  |               |
| — corporate holding                             | 360                                      | 360           |
| — corporate finance advisory (Hong Kong)        | 22,582                                   | 22,906        |
| — corporate finance advisory (Beijing)          | 1,318                                    | 1,249         |
| — asset management                              | 366                                      | 314           |
|   | <u>24,626</u>                            | <u>24,829</u> |

Employee benefits costs slightly decreased to approximately HK\$24.6 million for the Period from approximately HK\$24.8 million for the six months ended 30 September 2021. This is primarily due to the recognition of the government grant of approximately HK\$0.9 million from the Employment Support Scheme under Anti-Epidemic Fund during the Period.

## Depreciation and Other Operating Expenses

The Group adopted HKFRS 16 under which all non-cancellable operating leases, except for short-term leases and leases for low-value assets, entered by the Group are recorded as right-of-use assets whose costs will be depreciated over the lease terms. Therefore, the rental expenses are included as depreciation of right-of-use assets under HKFRS 16 for the Period.

Other operating expenses were mainly recurring GEM listing expenses, travelling expenses, professional fees and other expenses, including utility expenses, building management fees, telecommunication expenses, information technology related expenses, data intelligence service subscription fees and insurance expenses.

|  | <b>For the six months ended</b> |                 |
|--|---------------------------------|-----------------|
|  | <b>30 September</b>             |                 |
|  | <b>2022</b>                     | 2021            |
|  | <b>HK\$'000</b>                 | <i>HK\$'000</i> |
| Depreciation of property and equipment   | <b>390</b>                      | 508             |
| Depreciation of right-of-use assets  | <b>3,589</b>                    | 4,459           |
|  | <b>3,979</b>                    | 4,967           |
| Other premises expenses  | <b>997</b>                      | 1,043           |
| Exchange loss, net   | <b>854</b>                      | —               |
| Recurring GEM listing expenses (excluding remuneration of independent non-executive directors) | <b>998</b>                      | 857             |
| Others   | <b>2,927</b>                    | 3,053           |
|  | <b>9,755</b>                    | 9,920           |
| Analysed as:   |                                 |                 |
| — corporate holding  | <b>1,644</b>                    | 1,278           |
| — corporate finance advisory (Hong Kong)   | <b>7,152</b>                    | 7,354           |
| — corporate finance advisory (Beijing)   | <b>750</b>                      | 846             |
| — asset management   | <b>209</b>                      | 442             |
|  | <b>9,755</b>                    | 9,920           |

The Group's depreciation and other operating expenses decreased by approximately 1.0% to approximately HK\$9.8 million for the Period from approximately HK\$9.9 million for the six months ended 30 September 2021. The net decrease was mainly due to the combined effects of: (i) the decrease in depreciation of right-of-use assets due to the lower rental on the Group's office premises in Hong Kong after renewal of the lease for a further three years from 1 July 2021; and (ii) the exchange losses arising from the translation of bank balances denominated in Renminbi during the Period.

## **Loss for the Period**

For the Period, the Group recorded a loss before tax of approximately HK\$9.5 million (2021: profit before tax of approximately HK\$0.2 million), and after-tax loss was approximately HK\$9.4 million (2021: after-tax profit of approximately HK\$0.2 million). The loss was primarily due to the decrease in revenue.

## **Liquidity, Financial Resources and Capital Structure**

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

The Group's equity consists of ordinary shares of the Company (the "Shares"). The Group had neither banking facilities nor borrowings as at 31 March 2022 and 30 September 2022.

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

## **Foreign Exchange Exposure**

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

## **Future Plans for Material Investments or Capital Assets**

The Group had no capital commitments as at 30 September 2022 (31 March 2022: nil). Save for the business plan disclosed in the prospectus of the Company dated 15 March 2017 (the "Prospectus"), announcement of, among others, change in use of proceeds published on 22 June 2018 or as otherwise disclosed in this announcement, the Group did not have plans for making material investments or acquiring capital assets as at 30 September 2022.

As at 30 September 2022, the Group was committed a new lease agreement of 3 years in the People's Republic of China (the "PRC") that has not yet commenced. Future lease payments under the agreement amount to approximately RMB706,000 (equivalent to approximately HK\$779,000) per annum (31 March 2022: nil).

## **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 Period.

## **Events after the Reporting Date**

Save as disclosed elsewhere in this announcement, the Group has no significant events subsequent to 30 September 2022 and up to the date of this announcement.

## **Charge on Assets & Contingent Liabilities**

As at 31 March 2022 and 30 September 2022, the Group did not have any charges on its assets or material contingent liabilities.

## **Gearing Ratio**

As at 31 March 2022 and 30 September 2022, the Group did not have any borrowings and hence gearing ratio was not applicable.

## **Dividend**

The board of Directors (the “Board”) does not recommend the payment of any dividend for the Period (2021: nil).

## **Treasury Policies**

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

## **Employees and Remuneration Policies**

The Group employed 48 employees as at 31 March 2022 and 46 employees as at 30 September 2022.

For the Period, employee benefits costs of the Group (including the Directors' emoluments) were approximately HK\$24.6 million (2021: approximately HK\$24.8 million). Remuneration is determined with reference to market terms, the financial results of the Group and the performance, qualifications and experience of employees. Apart from basic remuneration, share options may be granted under the share option scheme of the Company to eligible employees by reference to the Group's performance as well as the individual's contribution. The Directors believe that the compensation packages offered by the Group to its staff are competitive in comparison with market standards and practices.

## **Update of Business Progress and Use of Proceeds**

The majority of the business objectives as stated in the Prospectus and the announcement of, among others, change in use of proceeds published on 22 June 2018 were accomplished as at 31 March 2019 except for the enhancement of the Group's information technology systems. As at 30 September 2022, the enhancement of the Group's information technology ("IT") infrastructure and the implementation of the business continuity plan was almost completed, but further upgrading and updating of IT is a continuing requirement.

The net proceeds from the Group's listing on GEM of the Stock Exchange on 28 March 2017 (the "Listing") were approximately HK\$55.9 million and approximately HK\$27.7 million was utilised for the year ended 31 March 2018. On 22 June 2018, the Group announced a change in use of net proceeds of approximately HK\$28.2 million and approximately HK\$25.9 million was utilised in accordance with that announcement for the year ended 31 March 2020. As at 30 September 2022, remaining proceeds of approximately HK\$1.1 million were unutilised and is originally planned for further upgrading server equipment and updating IT infrastructure for the year ending 31 March 2023.

As disclosed in the Prospectus, to the extent that the net proceeds from the Listing were not immediately required for the above purposes, they were placed on short-term interest bearing deposits with authorised financial institutions in Hong Kong.

## INTERIM RESULTS

The Board is pleased to present the unaudited condensed consolidated results of the Group for the Period, together with the comparative unaudited figures for the corresponding period in 2021, as follows:

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

For the six months ended 30 September 2022

|  | Notes | Three months ended<br>30 September |                                 | Six months ended<br>30 September |                                 |
|--|-------|------------------------------------|---------------------------------|----------------------------------|---------------------------------|
|  |       | 2022<br>HK\$'000<br>(Unaudited)    | 2021<br>HK\$'000<br>(Unaudited) | 2022<br>HK\$'000<br>(Unaudited)  | 2021<br>HK\$'000<br>(Unaudited) |
| Revenue  | 6     | 11,864                             | 21,732                          | 25,278                           | 35,765                          |
| Other income   | 7     | 442                                | 387                             | 800                              | 740                             |
|  |       | <u>12,306</u>                      | <u>22,119</u>                   | <u>26,078</u>                    | <u>36,505</u>                   |
| Employee benefits costs  |       | (12,689)                           | (12,458)                        | (24,626)                         | (24,829)                        |
| Fair value loss on financial assets<br>at fair value through<br>profit or loss, net  |       | (190)                              | (2)                             | (577)                            | (1)                             |
| Depreciation   | 12    | (1,952)                            | (2,157)                         | (3,979)                          | (4,967)                         |
| Introduction expenses  |       | (76)                               | (681)                           | (76)                             | (781)                           |
| Share of loss of an associate  |       | (117)                              | —                               | (117)                            | —                               |
| Finance cost   |       | (78)                               | (125)                           | (165)                            | (150)                           |
| Impairment loss recognised in<br>respect of trade receivables  |       | (53)                               | (389)                           | (232)                            | (604)                           |
| Other operating expenses   |       | <u>(2,873)</u>                     | <u>(2,564)</u>                  | <u>(5,776)</u>                   | <u>(4,953)</u>                  |
| (Loss) profit before tax   | 8     | <u>(5,722)</u>                     | 3,743                           | <u>(9,470)</u>                   | 220                             |
| Income tax credit (expense)  | 9     | <u>48</u>                          | <u>(181)</u>                    | <u>97</u>                        | <u>(55)</u>                     |
| (Loss) profit for the period   |       | <u>(5,674)</u>                     | 3,562                           | <u>(9,373)</u>                   | 165                             |
| Other comprehensive (expense)<br>income  |       |                                    |                                 |                                  |                                 |
| Item that may be reclassified<br>subsequently to profit or loss:<br>Exchange difference arising on<br>translation of foreign<br>operations |       | <u>(22)</u>                        | <u>2</u>                        | <u>(46)</u>                      | <u>7</u>                        |
| Total comprehensive (expense)<br>income for the period   |       | <u><u>(5,696)</u></u>              | <u><u>3,564</u></u>             | <u><u>(9,419)</u></u>            | <u><u>172</u></u>               |

|  | Three months ended<br>30 September |              | Six months ended<br>30 September |             |
|--|------------------------------------|--------------|----------------------------------|-------------|
|  | 2022                               | 2021         | 2022                             | 2021        |
| Note   | HK\$'000                           | HK\$'000     | HK\$'000                         | HK\$'000    |
|  | (Unaudited)                        | (Unaudited)  | (Unaudited)                      | (Unaudited) |
| (Loss) profit for the period attributable to:                        |                                    |              |                                  |             |
| Owners of the Company  | (5,641)                            | 3,655        | (9,313)                          | 321         |
| Non-controlling interests  | (33)                               | (93)         | (60)                             | (156)       |
|  | <u>(5,674)</u>                     | <u>3,562</u> | <u>(9,373)</u>                   | <u>165</u>  |
| Total comprehensive (expense) income for the period attributable to: |                                    |              |                                  |             |
| Owners of the Company  | (5,663)                            | 3,657        | (9,359)                          | 328         |
| Non-controlling interests  | (33)                               | (93)         | (60)                             | (156)       |
|  | <u>(5,696)</u>                     | <u>3,564</u> | <u>(9,419)</u>                   | <u>172</u>  |
| (Loss) earnings per share  |                                    |              |                                  |             |
| — basic (HK cents)   | 10 <u>(3.96)</u>                   | <u>2.58</u>  | <u>(6.54)</u>                    | <u>0.23</u> |
| — diluted (HK cents)   | 10 <u>(3.96)</u>                   | <u>2.57</u>  | <u>(6.54)</u>                    | <u>0.22</u> |

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 30 September 2022*

|   |              | As at<br>30 September<br>2022  | As at<br>31 March<br>2022    |
|---|--------------|--------------------------------|------------------------------|
|   | <i>Notes</i> | <i>HK\$'000</i><br>(Unaudited) | <i>HK\$'000</i><br>(Audited) |
| <b>Non-current assets</b>                             |              |                                |                              |
| Property and equipment                                | <i>12</i>    | <b>1,389</b>                   | 1,787                        |
| Right-of-use assets                                   | <i>12</i>    | <b>11,291</b>                  | 14,860                       |
| Goodwill  |              | —                              | —                            |
| Intangible asset                                      |              | <b>1,500</b>                   | 1,500                        |
| Interest in an associate                              |              | <b>659</b>                     | 776                          |
| Rental deposits                                       | <i>13</i>    | <b>2,071</b>                   | 2,071                        |
| Financial asset at fair value through profit or loss  | <i>14</i>    | —                              | 1,566                        |
| Deferred tax assets                                   |              | <b>197</b>                     | 104                          |
|   |              | <u><b>17,107</b></u>           | <u>22,664</u>                |
| <b>Current assets</b>                                 |              |                                |                              |
| Trade receivables                                     | <i>13</i>    | <b>5,475</b>                   | 5,637                        |
| Prepayments, deposits and other receivables           | <i>13</i>    | <b>7,819</b>                   | 8,480                        |
| Amount due from ultimate holding company              |              | <b>476</b>                     | —                            |
| Financial assets at fair value through profit or loss | <i>14</i>    | <b>2,635</b>                   | 3,817                        |
| Tax recoverable                                       |              | <b>546</b>                     | 546                          |
| Cash and cash equivalents                             |              | <b>65,911</b>                  | 75,028                       |
|   |              | <u><b>82,862</b></u>           | <u>93,508</u>                |
| <b>Current liabilities</b>                            |              |                                |                              |
| Contract liability                                    |              | <b>739</b>                     | 181                          |
| Other payables and accruals                           |              | <b>1,611</b>                   | 1,754                        |
| Amount due to an associate                            |              | <b>297</b>                     | 763                          |
| Lease liabilities                                     | <i>12</i>    | <b>6,626</b>                   | 6,917                        |
|   |              | <u><b>9,273</b></u>            | <u>9,615</u>                 |
| Net current assets                                    |              | <u><b>73,589</b></u>           | <u>83,893</u>                |
| Total assets less current liabilities                 |              | <u><b>90,696</b></u>           | <u>106,557</u>               |

|  |    | As at<br>30 September<br>2022<br><i>HK\$'000</i><br>(Unaudited) | As at<br>31 March<br>2022<br><i>HK\$'000</i><br>(Audited) |
|--|----|---|---|
| Non-current liabilities                      |    |   |   |
| Lease liabilities                            | 12 | 5,412   | 8,366   |
| Provision for long service payment           |    | 300   | 230   |
| Provision for reinstatement cost             |    | 2,300   | 2,300   |
| Deferred tax liabilities                     |    | 247   | 247   |
|  |    | <u>8,259</u>  | <u>11,143</u>   |
| Net assets                                   |    | <u>82,437</u>   | <u>95,414</u>   |
| Capital and reserves                         |    |   |   |
| Share capital                                |    | 1,424   | 1,424   |
| Reserves                                     |    | 80,816  | 93,733  |
| Equity attributable to owners of the Company |    | 82,240  | 95,157  |
| Non-controlling interests                    |    | 197   | 257   |
| Total equity                                 |    | <u>82,437</u>   | <u>95,414</u>   |

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
*For the six months ended 30 September 2022*

|  | Attributable to the owners of the Company |               |                   |                                  |                      |                     |                      | Total         | Non-controlling interests | Total         |
|--|---|---------------|-------------------|----------------------------------|----------------------|---------------------|----------------------|---------------|---------------------------|---------------|
|  | Share capital                             | Share premium | Retained earnings | Shareholder contribution reserve | Share option reserve | Translation reserve | Other reserve (note) |               |                           |               |
|  | HK\$'000                                  | HK\$'000      | HK\$'000          | HK\$'000                         | HK\$'000             | HK\$'000            | HK\$'000             | HK\$'000      | HK\$'000                  | HK\$'000      |
| At 1 April 2022 (Audited)  | 1,424                                     | 49,639        | 28,014            | 4,179                            | 1,946                | 55                  | 9,900                | 95,157        | 257                       | 95,414        |
| Loss for the period  | —   | —             | (9,313)           | —                                | —                    | —                   | —                    | (9,313)       | (60)                      | (9,373)       |
| Other comprehensive expense:                                       |   |               |                   |                                  |                      |                     |                      |               |                           |               |
| Exchange differences arising from translation of foreign operation | —   | —             | —                 | —                                | —                    | (46)                | —                    | (46)          | —                         | (46)          |
| Total comprehensive expense for the period                         | —   | —             | (9,313)           | —                                | —                    | (46)                | —                    | (9,359)       | (60)                      | (9,419)       |
| Dividends recognised as distribution (note 11)                     | —   | (3,558)       | —                 | —                                | —                    | —                   | —                    | (3,558)       | —                         | (3,558)       |
| At 30 September 2022 (Unaudited)                                   | <u>1,424</u>                              | <u>46,081</u> | <u>18,701</u>     | <u>4,179</u>                     | <u>1,946</u>         | <u>9</u>            | <u>9,900</u>         | <u>82,240</u> | <u>197</u>                | <u>82,437</u> |
| At 1 April 2021 (Audited)  | 1,419                                     | 54,765        | 31,722            | 4,179                            | 2,115                | 38                  | 9,900                | 104,138       | 405                       | 104,543       |
| Profit (loss) for the period                                       | —   | —             | 321               | —                                | —                    | —                   | —                    | 321           | (156)                     | 165           |
| Other comprehensive income:  |   |               |                   |                                  |                      |                     |                      |               |                           |               |
| Exchange differences arising from translation of foreign operation | —   | —             | —                 | —                                | —                    | 7                   | —                    | 7             | —                         | 7             |
| Total comprehensive income (expense) for the period                | —   | —             | 321               | —                                | —                    | 7                   | —                    | 328           | (156)                     | 172           |
| Dividends recognised as distribution (note 11)                     | —   | (5,395)       | —                 | —                                | —                    | —                   | —                    | (5,395)       | —                         | (5,395)       |
| Issue of shares upon exercise of share options                     | 1   | 67            | —                 | —                                | (43)                 | —                   | —                    | 25            | —                         | 25            |
| At 30 September 2021 (Unaudited)                                   | <u>1,420</u>                              | <u>49,437</u> | <u>32,043</u>     | <u>4,179</u>                     | <u>2,072</u>         | <u>45</u>           | <u>9,900</u>         | <u>99,096</u> | <u>249</u>                | <u>99,345</u> |

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

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 September 2022*

## 1. GENERAL

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

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

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

## 2. BASIS OF PREPARATION

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

## 3. CHANGE IN ACCOUNTING POLICIES

The accounting policies used for the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 March 2022, except as described below:

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA which are effective for the Group’s financial year beginning on 1 April 2022:

|                       |  |
|-----------------------|--|
| Amendments to HKFRS 3 | Reference to the Conceptual Framework                        |
| Amendments to HKAS 16 | Property, Plant and Equipment — Proceeds before Intended Use |
| Amendments to HKAS 37 | Onerous Contracts — Cost of Fulfilling a Contract            |
| Amendments to HKFRSs  | Annual Improvements to HKFRSs 2018–2020                      |

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

#### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

In preparing this unaudited condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2022.

#### 5. SEGMENT INFORMATION

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

Specifically, the Group's reportable segments are 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 segments.

|  | For the six months ended<br>30 September 2022                  |   |                          | For the six months ended<br>30 September 2021                  |   |                          |
|--|--|---|--------------------------|--|---|--------------------------|
|  | Corporate<br>finance<br>advisory<br>service<br><i>HK\$'000</i> | Asset<br>management<br>service<br><i>HK\$'000</i> | Total<br><i>HK\$'000</i> | Corporate<br>finance<br>advisory<br>service<br><i>HK\$'000</i> | Asset<br>management<br>service<br><i>HK\$'000</i> | Total<br><i>HK\$'000</i> |
| Segment revenue  | <u>25,278</u>  | <u>—</u>  | <u>25,278</u>            | <u>35,765</u>  | <u>—</u>  | <u>35,765</u>            |
| Segment (loss) profit  | (6,827)  | (578)   | (7,405)                  | 2,290  | (802)   | 1,488                    |
| Bank interest income   |  |   | 93                       |  |   | 67                       |
| Fair value loss on financial assets<br>at fair value through<br>profit or loss |  |   | (577)                    |  |   | (1)                      |
| Share of loss of an associate  |  |   | (117)                    |  |   | —                        |
| Finance cost   |  |   | (11)                     |  |   | (10)                     |
| Corporate and other unallocated<br>expenses                                    |  |   | <u>(1,453)</u>           |  |   | <u>(1,324)</u>           |
| (Loss) profit before tax   |  |   | <u>(9,470)</u>           |  |   | <u>220</u>               |

Segment (loss) profit represents the (loss resulted) profit earned from each segment without allocation of fair value loss on financial assets at fair value through profit or loss, share of result of an associate, certain of bank interest income, certain of finance cost and central administration costs. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

### Segment assets and liabilities

|  | As at 30 September 2022  |   |                          | As at 31 March 2022  |   |                          |
|--|--|---|--------------------------|--|---|--------------------------|
|  | Corporate<br>finance<br>advisory<br>service<br><i>HK\$'000</i> | Asset<br>management<br>service<br><i>HK\$'000</i> | Total<br><i>HK\$'000</i> | Corporate<br>finance<br>advisory<br>service<br><i>HK\$'000</i> | Asset<br>management<br>service<br><i>HK\$'000</i> | Total<br><i>HK\$'000</i> |
| Segment assets                                 | 51,833   | 2,793   | 54,626                   | 62,275   | 3,073   | 65,348                   |
| Elimination of inter-segment<br>receivables    |  |   | (814)                    |  |   | (467)                    |
| Corporate and other unallocated<br>assets      |  |   | <u>46,157</u>            |  |   | <u>51,291</u>            |
| Total assets                                   |  |   | <u><u>99,969</u></u>     |  |   | <u><u>116,172</u></u>    |
| Segment liabilities                            | 13,697   | 889   | 14,586                   | 16,490   | 394   | 16,884                   |
| Elimination of inter-segment<br>liabilities    |  |   | (1,192)                  |  |   | (1,042)                  |
| Corporate and other unallocated<br>liabilities |  |   | <u>4,138</u>             |  |   | <u>4,916</u>             |
| Total liabilities                              |  |   | <u><u>17,532</u></u>     |  |   | <u><u>20,758</u></u>     |

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than certain of property and equipment, certain of right-of-use assets, interest in an associate, financial assets at fair value through profit or loss, certain of cash and cash equivalents, certain of deferred tax assets, certain of amount due from ultimate holding company and certain of prepayments, deposits and other receivables; and
- all liabilities are allocated to operating segments other than provision for reinstatement cost, certain of lease liabilities and certain of other payables and accruals.

## Other segment information

*For the six months ended 30 September 2022*

|  | Corporate<br>finance<br>advisory<br>service<br><i>HK\$'000</i> | Asset<br>management<br>service<br><i>HK\$'000</i> | Corporate<br><i>HK\$'000</i> | Total<br><i>HK\$'000</i> |
|--|--|---|------------------------------|--------------------------|
| Amounts included in the measure of<br>segment profit or loss or segment<br>assets: |  |   |                              |                          |
| Depreciation of property and<br>equipment  | 309  | —   | 81                           | 390                      |
| Depreciation of right-of-use assets  | 3,265  | 106   | 218                          | 3,589                    |
| Impairment loss recognised in respect of<br>trade receivables                      | 232  | —   | —                            | 232                      |
| Bank interest income   | 26   | —   | 93                           | 119                      |
| Finance cost on lease liabilities  | 149  | 5   | 11                           | 165                      |

*For the six months ended 30 September 2021*

|  | Corporate<br>finance<br>advisory<br>service<br><i>HK\$'000</i> | Asset<br>management<br>service<br><i>HK\$'000</i> | Corporate<br><i>HK\$'000</i> | Total<br><i>HK\$'000</i> |
|--|--|---|------------------------------|--------------------------|
| Amounts included in the measure of<br>segment profit or loss or segment<br>assets: |  |   |                              |                          |
| Additions to property and equipment  | 465  | —   | —                            | 465                      |
| Additions to right-of-use assets   | 17,616   | —   | 1,706                        | 19,322                   |
| Depreciation of property and<br>equipment  | 457  | —   | 51                           | 508                      |
| Depreciation of right-of-use assets  | 3,897  | 221   | 341                          | 4,459                    |
| Impairment loss recognised in respect of<br>trade receivables                      | 604  | —   | —                            | 604                      |
| Bank interest income   | 65   | —   | 67                           | 132                      |
| Finance cost on lease liabilities  | 136  | 4   | 10                           | 150                      |

## Geographical information

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

## Information about major customers

No customer accounted for 10% or more of the Group's revenue for the six months ended 30 September 2022 and 2021.

## 6. REVENUE

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

|  | Six months ended<br>30 September |                 |
|--|----------------------------------|-----------------|
|  | 2022                             | 2021            |
|  | <i>HK\$'000</i>                  | <i>HK\$'000</i> |
|  | (Unaudited)                      | (Unaudited)     |
| Corporate finance advisory fee income          |                                  |                 |
| — from acting as financial adviser             | 4,759                            | 12,369          |
| — from acting as independent financial adviser | 8,038                            | 11,685          |
| — from acting as compliance adviser            | 12,207                           | 11,711          |
| — others                                       | 274                              | —               |
|  | <u>25,278</u>                    | <u>35,765</u>   |

The Group derived revenue from corporate finance advisory services over time.

## 7. OTHER INCOME

|   | Six months ended<br>30 September |                 |
|---|----------------------------------|-----------------|
|   | 2022                             | 2021            |
|   | <i>HK\$'000</i>                  | <i>HK\$'000</i> |
|   | (Unaudited)                      | (Unaudited)     |
| Bank interest income  | 119                              | 132             |
| Management fee income from ultimate holding company   | 90                               | 84              |
| Office sharing income and recharge of other premises expenses from ultimate holding company | 386                              | 364             |
| Others  | 205                              | 160             |
|   | <u>800</u>                       | <u>740</u>      |

## 8. (LOSS) PROFIT BEFORE TAX

|  | Six months ended |                 |
|--|------------------|-----------------|
|  | 30 September     |                 |
|  | 2022             | 2021            |
|  | <i>HK\$'000</i>  | <i>HK\$'000</i> |
|  | (Unaudited)      | (Unaudited)     |
| (Loss) profit for the period has been arrived at after charging (crediting): |                  |                 |
| Directors' emoluments:   |                  |                 |
| Fees   | 360              | 360             |
| Other emoluments   | 5,148            | 5,148           |
| Contributions to retirement benefits scheme                                  | 18               | 18              |
|  | <u>5,526</u>     | <u>5,526</u>    |
| Other staff costs ( <i>note</i> )  | 18,479           | 18,764          |
| Provision for long service payment   | 70               | 20              |
| Contributions to retirement benefits schemes                                 | 551              | 519             |
|  | <u>24,626</u>    | <u>24,829</u>   |
| Total employee benefits costs  | 24,626           | 24,829          |
| Exchange loss (gain), net  | 854              | (160)           |
| Depreciation for property and equipment                                      | 390              | 508             |
| Depreciation for right-of-use assets   | 3,589            | 4,459           |
| Impairment loss recognised in respect of trade receivables                   | 232              | 604             |
|  | <u>232</u>       | <u>604</u>      |

*Note:* Wage subsidies of approximately HK\$929,000 (2021: nil) granted from the Employment Support Scheme under Anti-Epidemic Fund for the use of paying wages of employees have been recognised during the Period. The amounts had been offset with the employee benefits costs.

## 9. INCOME TAX (CREDIT) EXPENSE

|                                | Six months ended |                 |
|--------------------------------|------------------|-----------------|
|                                | 30 September     |                 |
|                                | 2022             | 2021            |
|                                | <i>HK\$'000</i>  | <i>HK\$'000</i> |
|                                | (Unaudited)      | (Unaudited)     |
| Current income tax:            |                  |                 |
| Hong Kong                      | —                | 156             |
| Over provision in prior years: |                  |                 |
| People's Republic of China     | (4)              | (68)            |
| Deferred taxation              | (93)             | (33)            |
|                                | <u>(97)</u>      | <u>(33)</u>     |
|                                | <u>(97)</u>      | <u>55</u>       |



*Note:* For the Period, diluted loss per share is same as basic loss per share. The computation of diluted loss per share does not assume the exercise of the Company's share options since their exercise would result in a decrease in loss per share.

## 11. DIVIDENDS

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

A final dividend of HK2.5 cents per share in respect of the year ended 31 March 2022 (2021: HK3.8 cents per share), amounting to approximately HK\$3,558,000 (2021: HK\$5,395,000), was paid during the Period.

The Directors do not recommend the payment of interim dividend for the Period (30 September 2021: nil).

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

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

During the Period, the Group had no addition of property and equipment and right-of-use assets (2021: approximately HK\$465,000 and HK\$19,322,000).

As at 30 September 2022, the carrying amounts of property and equipment and right-of-use assets were approximately HK\$1,389,000 (31 March 2022: HK\$1,787,000) and HK\$11,291,000 (31 March 2022: HK\$14,860,000) respectively.

The Group's depreciation during the Period amounted to approximately HK\$390,000 (2021: HK\$508,000) and HK\$3,589,000 (2021: HK\$4,459,000) in respect of property and equipment and right-of-use assets respectively.

### (ii) Lease liabilities

As at 30 September 2022, the carrying amount of lease liabilities were approximately HK\$12,038,000 (31 March 2022: HK\$15,283,000).

### (iii) Amounts recognised in profit or loss

|                                     | <b>Six months ended</b> |              |
|-------------------------------------|-------------------------|--------------|
|                                     | <b>30 September</b>     |              |
|                                     | <b>2022</b>             | 2021         |
|                                     | <b>HK\$'000</b>         | HK\$'000     |
|                                     | <b>(Unaudited)</b>      | (Unaudited)  |
| Depreciation on right-of-use assets | <b>3,589</b>            | 4,459        |
| Finance cost on lease liabilities   | <b>165</b>              | 150          |
|                                     | <b><u>3,754</u></b>     | <u>4,609</u> |

(iv) Other

During the Period, the total cash outflow for leases amounted to approximately HK\$3,410,000 (2021: HK\$3,996,000).

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

|                                   | As at<br>30 September<br>2022<br><i>HK\$'000</i><br>(Unaudited) | As at<br>31 March<br>2022<br><i>HK\$'000</i><br>(Audited) |
|-----------------------------------|---|---|
| Trade receivables ( <i>note</i> ) | 6,238   | 6,168   |
| Less: Impairment allowance        | <u>(763)</u>  | <u>(531)</u>  |
|                                   | <u><b>5,475</b></u>   | <u><b>5,637</b></u>                                       |

At as 30 September 2022, the gross amount of trade receivables arising from contracts with customers amounted to approximately HK\$6,238,000 (31 March 2022: HK\$6,168,000).

|   | As at<br>30 September<br>2022<br><i>HK\$'000</i><br>(Unaudited) | As at<br>31 March<br>2022<br><i>HK\$'000</i><br>(Audited) |
|---|---|---|
| Prepayments, deposits and other receivables<br>Analysed as: |   |   |
| — non-current assets (rental deposits)                      | 2,071   | 2,071   |
| — current assets  | <u>7,819</u>  | <u>8,480</u>  |
|   | <u><b>9,890</b></u>   | <u><b>10,551</b></u>                                      |

|                                | As at<br>30 September<br>2022<br><i>HK\$'000</i><br>(Unaudited) | As at<br>31 March<br>2022<br><i>HK\$'000</i><br>(Audited) |
|--------------------------------|---|---|
| Deposits and other receivables | 2,482   | 2,398   |
| Prepayments                    | 1,614   | 1,475   |
| Receivables from broker        | <u>5,794</u>  | <u>6,678</u>  |
|                                | <u><b>9,890</b></u>   | <u><b>10,551</b></u>                                      |

*Note:*

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

|                | <b>As at<br/>30 September<br/>2022<br/>HK\$'000<br/>(Unaudited)</b> | <b>As at<br/>31 March<br/>2022<br/>HK\$'000<br/>(Audited)</b> |
|----------------|---|---|
| Within 90 days | 4,769   | 5,027   |
| 91–180 days    | 602   | 388   |
| Over 180 days  | 104   | 222   |
|                | <hr/>   | <hr/>   |
| Total          | <b>5,475</b>  | <b>5,637</b>  |
|                | <hr/> <hr/>   | <hr/> <hr/>   |

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

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

|   | <b>For the six<br/>months ended<br/>30 September<br/>2022<br/>HK\$'000<br/>(Unaudited)</b> | <b>For the year<br/>ended<br/>31 March<br/>2022<br/>HK\$'000<br/>(Audited)</b> |
|---|--|--|
| At the beginning of the period/year               | 531  | 666  |
| Impairment losses recognised on trade receivables | 232  | 445  |
| Amount written-off as uncollectible               | —  | (580)  |
|   | <hr/>  | <hr/>  |
| At the end of the period/year                     | <b>763</b>   | <b>531</b>   |
|   | <hr/> <hr/>  | <hr/> <hr/>  |

During the Period, no trade receivables were written off (31 March 2022: approximately HK\$580,000). The Group writes off trade receivables 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.

#### 14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

|   | As at<br>30 September<br>2022<br><i>HK\$'000</i><br>(Unaudited) | As at<br>31 March<br>2022<br><i>HK\$'000</i><br>(Audited) |
|---|---|---|
| Financial assets at fair value through profit or loss                 |   |   |
| — Listed equity securities, Hong Kong                                 | 380   | 3,817   |
| — Investment in unlisted convertible note ( <i>note i</i> )           | 1,570   | 1,566   |
| — Unlisted held-for-trading investments, Hong Kong ( <i>note ii</i> ) | 685   | —   |
|   | <u>2,635</u>  | <u>5,383</u>  |
|   | As at<br>30 September<br>2022<br><i>HK\$'000</i><br>(Unaudited) | As at<br>31 March<br>2022<br><i>HK\$'000</i><br>(Audited) |
| Analysed as:  |   |   |
| — non-current assets  | —   | 1,566   |
| — current assets  | 2,635   | 3,817   |
|   | <u>2,635</u>  | <u>5,383</u>  |

*Notes:*

- (i) In July 2021, the Company subscribed convertible note bearing 5% coupon rate with principal amount of US\$200,000 (equivalent to approximately HK\$1,554,000) issued by an independent third party, Aspen Digital Limited, a private company engaged in digital assets management platform, maturing in January 2023. The fair value of the convertible note approximated to US\$200,000 (equivalent to approximately HK\$1,570,000) as at 30 September 2022 (31 March 2022: HK\$1,566,000), which was measured by an independent valuer.
- (ii) A portfolio of cryptocurrency investments in Hong Kong managed by Aspen Digital Limited. As at 30 September 2022, its fair value amounted to approximately HK\$685,000 (31 March 2022: nil).

## **CORPORATE GOVERNANCE AND OTHER INFORMATION**

### **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Board is committed to achieving and maintaining high standards of corporate governance practices and procedures. The Board believes that good corporate governance practices are essential to enhance stakeholders' confidence and support. During the Period, the Company has complied with the code provisions prescribed in the establishment and implementation of the corporate governance guidelines containing principles and code provisions of the Corporate Governance Code as set out in Appendix 15 to the GEM Listing Rules.

### **COMPETING INTERESTS**

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

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed Shares during the Period.

### **AUDIT COMMITTEE**

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

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

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

#### **CHANGE OF DIRECTORS INFORMATION**

Mr. LAW Cheuk Kin Stephen resigned as an independent non-executive director of Bank of Guizhou Co., Ltd. (stock code: 6199) on 25 August 2022.

#### **PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT**

This results 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 interim report of the Company for the six months ended 30 September 2022 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, 10 November 2022

*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 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).*