
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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SOMERLEY CAPITAL HOLDINGS LIMITED

Somerley Capital Holdings Limited

新百利融資控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8439)

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

A notice convening the annual general meeting (the “AGM”) of Somerley Capital Holdings Limited (the “Company”) to be held at Suites 903–905, 9th Floor, Shui On Centre, 6–8 Harbour Road, Wanchai, Hong Kong on Friday, 7 September 2018 at 10:00 a.m. is set out on pages 17 to 22 of this circular. A form of proxy for use at the AGM is enclosed with this circular.

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

This circular will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting and on the website of the Company at www.somerleycapital.com.

7 August 2018

CHARACTERISTICS OF GEM OF 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.

CONTENTS

	<i>Pages</i>
Definitions	1
Letter from the Board	
Introduction	4
Proposed Grant of the General Mandates	5
Proposed Payment of Final Dividend out of Share Premium Account	5
Proposed Re-election of Directors	7
AGM and Proxy Arrangement	8
Responsibility Statement	8
Recommendation	9
General Information	9
Appendix I — Explanatory Statement on the Repurchase Mandate	10
Appendix II — Details of the Retiring Directors	
Proposed to be Re-elected at the AGM	14
Notice of the Annual General Meeting	17

DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Suites 903–905, 9th Floor, Shui On Centre, 6–8 Harbour Road, Wanchai, Hong Kong on Friday, 7 September 2018 at 10:00 a.m. to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 17 to 22 of this circular, or any adjournment thereof
“Articles”	the articles of association of the Company
“Board”	the board of Directors
“Close Associate(s)”	has the meaning ascribed to such term in the GEM Listing Rules
“Company”	Somerley Capital Holdings Limited (新百利融資控股有限公司), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on GEM
“Companies Law”	The Companies Law, Cap. 22 (Law 3 of 1961 as consolidated and revised) of the Cayman Islands
“Core Connected Person(s)”	has the meaning ascribed to such term in the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“Extended Mandate”	a general mandate to add the aggregate number of Shares repurchased by the Company under the Repurchase Mandate to the Issue Mandate, subject to a maximum of 10% of the issued Shares as at the date of passing of the relevant resolution granting such mandate
“Final Dividend”	the proposed final dividend of HK3.5 cents per Share for the year ended 31 March 2018 as recommended by the Board

DEFINITIONS

“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandates”	the Issue Mandate, the Repurchase Mandate and the Extended Mandate
“Group”	the Company and its subsidiaries
“HK\$” or “Hong Kong dollar(s)”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	the general mandate proposed to be granted to the Directors at the AGM to exercise the power of the Company to allot, issue and deal with new Shares up to a maximum of 20% of the issued Shares as at the date of passing of the ordinary resolution granting such mandate
“Latest Practicable Date”	2 August 2018 being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular prior to its publication
“Pre-IPO Share Option Scheme”	the share option scheme approved and adopted by the Company on 11 May 2016
“Repurchase Mandate”	the general mandate proposed to be granted to the Directors at the AGM to exercise the power of the Company to repurchase Shares up to a maximum of 10% of the issued Shares as at the date of passing of the ordinary resolution granting such mandate
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company

DEFINITIONS

“Share Premium Account”	the share premium account of the Company, the amount standing to the credit of which was approximately HK\$67,270,000 as at 31 March 2018 based on the audited consolidated financial statements of the Company as at that date
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs of Hong Kong
“%”	per cent

LETTER FROM THE BOARD



SOMERLEY CAPITAL HOLDINGS LIMITED

Somerley Capital Holdings Limited

新百利融資控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8439)

Executive Directors:

Mr. SABINE Martin Nevil (*Chairman*)

Mr. CHEUNG Tei Sing Jamie

Mr. CHOW Wai Hung Kenneth

Independent Non-executive Directors:

Mr. CHENG Yuk Wo

Mr. HIGGS Jeremy James

Mr. YUEN Kam Tim Francis

Registered Office:

Cricket Square

Hutchins Drive

PO Box 2681

Grand Cayman

KY1-1111, Caymans Islands

Headquarters, Head Office and

Principal Place of Business

in Hong Kong:

20th Floor

China Building

29 Queen's Road Central

Central

Hong Kong

7 August 2018

To the Shareholders

Dear Sir or Madam,

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

INTRODUCTION

The purpose of this circular is to: (i) provide you with information regarding certain resolutions to be put forward at the AGM including details of the proposed grant of the General Mandates to issue and repurchase Shares; and the payment of Final Dividend for the year ended 31 March 2018 out of Share Premium Account; (ii) set out an explanatory statement regarding the Repurchase Mandate; (iii) provide you with details of the proposed re-election of retiring Directors; and (iv) give you notice of the AGM.

LETTER FROM THE BOARD

PROPOSED GRANT OF THE GENERAL MANDATES

(a) Issue Mandate and Extended Mandate

At the AGM, ordinary resolutions will be proposed to grant to the Directors a general and unconditional mandate to exercise the powers of the Company (i) to allot, issue and deal with Shares not exceeding 20% of the issued Shares as at the date of passing of the relevant resolution at the AGM; and (ii) to add the aggregate number of Shares repurchased by the Company under the Repurchase Mandate to the Issue Mandate, subject to a maximum of 10% of the issued Shares as at the date of passing of the relevant resolution. As at the Latest Practicable Date, a total of 139,472,555 Shares were in issue. Subject to the passing of the proposed resolution granting the Issue Mandate to the Directors and on the assumption that there is no variation to the issued Shares during the period from the Latest Practicable Date to the date of the AGM, the Company will be allowed under the Issue Mandate to issue a maximum of 27,894,511 Shares.

(b) Repurchase Mandate

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

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

PROPOSED PAYMENT OF FINAL DIVIDEND OUT OF SHARE PREMIUM ACCOUNT

The Board has recommended declaration and payment of a final dividend of HK3.5 cents per Share out of the Share Premium Account for the year ended 31 March 2018, subject to the Shareholders' approval at the AGM. As at the Latest Practicable Date, the Company has 139,472,555 Shares in issue. Based on the number of issued Shares as at the Latest Practicable Date, the Final Dividend, if declared and paid, will amount to an aggregate amount of approximately HK\$4,881,539. Subject to the fulfilment of the conditions set out in the paragraph headed "Conditions of the Payment of Final Dividend out of Share Premium Account" below, the Final Dividend is intended to be paid out of the Share Premium Account pursuant to Article 134 of the Articles and in accordance with the Companies Law.

LETTER FROM THE BOARD

As at 31 March 2018, based on the audited consolidated financial statements of the Company, the amount standing to the credit of the Share Premium Account was approximately HK\$67,270,000. Following the payment of the Final Dividend, there will be a remaining balance of approximately HK\$62,388,000 standing to the credit of the Share Premium Account.

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

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

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

Subject to the fulfilment of the above conditions, it is expected that the Final Dividend will be paid in cash on or about Friday, 21 September 2018 to those Shareholders whose names appear on the register of members of the Company at close of business on Thursday, 13 September 2018, being the record date for determination of entitlements to the Final Dividend.

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

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

The Board considers it is appropriate to distribute the Final Dividend in recognition of Shareholders' support.

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

LETTER FROM THE BOARD

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

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

The Final Dividends are payable to the Shareholders whose names appear on the register of members of the Company at close of business on Thursday, 13 September 2018, being the record date for determination of entitlement to the Final Dividends. In order to qualify for the Final Dividend, all transfer forms accompanied by relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration not later than 4:00 p.m. on Thursday, 13 September 2018.

PROPOSED RE-ELECTION OF DIRECTORS

By virtue of article 84 of the Articles, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. Accordingly, Mr. CHEUNG Tei Sing Jamie and Mr. CHENG Yuk Wo will retire and, being eligible, offer themselves for re-election at the AGM.

The Board has received confirmation from Mr. CHENG Yuk Wo being an independent non-executive Director eligible for re-election at the AGM, regarding his independence. Taking into account the factors set out in Rule 5.09 of the GEM Listing Rules, the Board considers that Mr. CHENG Yuk Wo continues to be independent. The Board considers that Mr. CHENG Yuk Wo has satisfactorily discharged his duties since his appointment and believes his re-appointment as independent non-executive Director at the AGM would contribute to the corporate governance standards of the Group.

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

LETTER FROM THE BOARD

AGM AND PROXY ARRANGEMENT

The notice of the AGM is set out on pages 17 to 22 of this circular. At the AGM, resolutions will be proposed to approve, *inter alia*, the granting of the General Mandates, the payment of Final Dividend out of the Share Premium Account and the re-election of Directors.

In order to be eligible to attend and vote at the AGM, all transfers of Shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration not later than 4:00 p.m. on Friday, 31 August 2018.

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

A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published on the GEM website (www.hkgem.com) and the Company's website (www.somerleycapital.com) respectively. Whether or not you are able to attend the AGM, please complete and sign the form of proxy in accordance with the instructions printed thereon and return it, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority, to the Company's branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof if you so wish and in such event the form of proxy shall be deemed to be revoked.

RESPONSIBILITY STATEMENT

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

LETTER FROM THE BOARD

RECOMMENDATION

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

GENERAL INFORMATION

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

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

APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

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

1. ISSUED SHARE

As at the Latest Practicable Date, there were 139,472,555 Shares in issue.

Subject to the passing of the ordinary resolution set out in resolution no. 7 of the notice of the AGM in respect of the granting of the Repurchase Mandate and on the assumption that there is no variation to the issued Shares during the period from the Latest Practicable Date to the date of the AGM, the Directors would be authorised under the Repurchase Mandate to repurchase, during the period in which the Repurchase Mandate remains in force, a maximum of 13,947,255 Shares, representing approximately 10% of the issued Shares as at the date of the AGM.

2. REASONS FOR REPURCHASE OF SHARES

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

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

3. FUNDING OF REPURCHASES

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

4. IMPACT OF REPURCHASES

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

APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

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

5. TAKEOVERS CODE

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

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

Name of Shareholders	Number of Shares held	Approximate percentage of existing shareholding	Approximate percentage of shareholding if Repurchase Mandate is exercised in full
Somerley Group Limited (<i>Note 1</i>)	91,531,350	65.63%	72.92%
SABINE Martin Nevil ("Mr. Sabine") (<i>Notes 1 and 2</i>)	93,468,507	67.02%	74.46%
SABINE Maureen Alice ("Dr. Sabine") (<i>Note 3</i>)	93,468,507	67.02%	74.46%
FLETCHER John Wilfred Sword ("Mr. Fletcher") (<i>Notes 1 and 2</i>)	93,468,507	67.02%	74.46%
FLETCHER Jacqueline ("Mrs. Fletcher") (<i>Note 4</i>)	93,468,507	67.02%	74.46%
CHEUNG Tei Sing Jamie ("Mr. Cheung") (<i>Notes 1 and 2</i>)	93,468,507	67.02%	74.46%
CHOI Helen Oi Yan ("Mrs. Cheung") (<i>Note 5</i>)	93,468,507	67.02%	74.46%

APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

Notes:

1. Somerley Group Limited is directly interested in 91,531,350 Shares and Somerley Group Limited is wholly-owned by the Mr. Sabine, Mr. Fletcher, Mr. Cheung and Ms. Fong Sau Man Cecilia, among which Mr. Sabine, Mr. Fletcher and Mr. Cheung are acting in concert in respect of their interests in the Company. Therefore, each of Mr. Sabine, Mr. Fletcher and Mr. Cheung is deemed to be interested in all the Shares held by them in aggregate by virtue of the SFO.
2. 645,717 Shares represent the share options granted to Mr. Cheung by the Company under the Pre-IPO Share Option Scheme. As Mr. Sabine, Mr. Fletcher and Mr. Cheung are acting in concert in respect of their interests in the Company, each of Mr. Sabine, Mr. Fletcher and Mr. Cheung is deemed to be interested in all the Shares held by them in aggregate by virtue of the SFO.
3. Dr. Sabine is the spouse of Mr. Sabine. By virtue of the SFO, Dr. Sabine is deemed to be interested in the Shares held by Mr. Sabine.
4. Mrs. Fletcher is the spouse of Mr. Fletcher. By virtue of the SFO, Mrs. Fletcher is deemed to be interested in the Shares held by Mr. Fletcher.
5. Mrs. Cheung is the spouse of Mr. Cheung. By virtue of the SFO, Mrs. Cheung is deemed to be interested in the Shares held by Mr. Cheung.

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

6. GENERAL

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

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

APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

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

7. REPURCHASES OF SHARES MADE BY THE COMPANY

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

8. MARKET PRICES OF SHARES

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

Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2017		
August	2.180	1.880
September	2.060	1.880
October	2.070	1.880
November	2.050	1.880
December	2.020	1.880
2018		
January	2.050	1.890
February	2.050	1.730
March	2.000	1.850
April	1.940	1.730
May	2.050	1.780
June	1.830	1.510
July	1.800	1.520
August (up to the Latest Practicable Date)*	N/A	N/A

* No deals of the Shares have been made from 1 August 2018 up to the Latest Practicable Date.

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

Executive Director

Mr. CHEUNG Tei Sing Jamie (“Mr. Cheung”), aged 47, was appointed as a Director on 21 April 2016 and designated as an executive Director on 9 March 2017. He is also a member of the remuneration committee of the Company. He joined Somerley International Limited in March 1996 as assistant manager. He has served as vice president of Somerley Capital Limited since July 2014, responsible for formulating business and corporate strategies and project origination. He has acted as a Licensed Representative for Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities since 14 July 2014. Mr. Cheung has over 20 years’ experience in corporate finance.

Mr. Cheung obtained a Bachelor of Commerce degree from The University of New South Wales in April 1993 and obtained from the Australian Graduate School of Management the degree of Master of Business Administration in July 2004. Mr. Cheung has been a member of CPA Australia since April 1996.

Prior to joining Somerley International Limited, Mr. Cheung worked in the audit department of Deloitte Touche Tohmatsu as an accountant between January 1993 and March 1996. During the period between September 2003 and May 2005, Mr. Cheung left Somerley International Limited and worked in Cazenove Asia Limited in the corporate finance department, involved in its corporate finance advisory services, before rejoining Somerley International Limited in May 2005.

Mr. Cheung has renewed a service agreement with the Company for a further term of 3 years commencing on 28 March 2017. He is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles. Pursuant to the terms of his service agreement, Mr. Cheung is entitled to a remuneration of HK\$3,000,000 per annum which was determined with reference to his duties and responsibilities within the Company, and in respect of each financial year during the appointment, a discretionary bonus of a sum to be determined by the remuneration committee of the Company and approved by the Board at its absolute discretion having regard to the operating results of the Group and performance of Mr. Cheung.

Mr. SABINE Martin Nevil (“Mr. Sabine”), Mr. FLETCHER John Wilfred Sword (“Mr. Fletcher”) and Mr. Cheung are shareholders of Somerley Group Limited (“SGL”). Mr. Sabine, Mr. Fletcher and Mr. Cheung are the controlling shareholders of the Company as they are acting in concert in respect of their interests in the Company.

As at the date hereof, Mr. Cheung is interested in 93,468,507 Shares, among which 91,531,350 Shares are held by SGL and 645,717 Shares are the share options granted to him by the Company under the Pre-IPO Share Option Scheme. Save as disclosed, Mr. Cheung does not have any other interests in the Shares or underlying Shares within the meaning of Part XV of the SFO.

Independent non-executive Director

Mr. CHENG Yuk Wo (“Mr. Cheng”), aged 57, was appointed as an independent non-executive Director on 9 March 2017. He is also the chairman of the audit committee and a member of the remuneration committee of the Company. Mr. Cheng is currently the proprietor of Erik Cheng & Co., a certified public accountant practice in Hong Kong. Mr. Cheng obtained a Master of Science (Economics) degree in Accounting and Finance from the London School of Economics in August 1984, and a Bachelor of Arts (Honours) degree in Accounting from the University of Kent in July 1983. He has been a fellow of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants since August 1998 and January 1999 respectively, and a member of the Institute of Chartered Professional Accountants of Canada since November 1990. Mr. Cheng has more than 30 years of experience in financial and corporate advisory services in mergers, acquisitions and investments. He worked at Coopers and Lybrand (now known as PricewaterhouseCoopers Ltd.) in London between 1984 and 1987 and Swiss Bank Corporation (now known as UBS AG) in Toronto between 1989 and 1992, and held senior management positions in a number of Hong Kong listed companies.

Mr. Cheng is an independent non-executive director of a number of companies the shares of which are listed on the Stock Exchange, including CSI Properties Limited (stock code: 497), HKC (Holdings) Limited (stock code: 190), C.P. Lotus Corporation (stock code: 121), Goldbond Group Holdings Limited (stock code: 172), CPMC Holdings Limited (stock code: 906), Top Spring International Holdings Limited (stock code: 3688), Chong Hing Bank Limited (stock code: 1111), Liu Chong Hing Investment Limited (stock code: 194), Chia Tai Enterprises International Limited (stock code: 3839), DTXS Silk Road Investment Holdings Company Limited (stock code: 620), Miricor Enterprises Holdings Limited (stock code: 8358) and Kidsland International Holdings Limited (stock code: 2122). Mr. Cheng was an independent non-executive director of Imagi International Holdings Limited (stock code: 585), a company the shares of which are listed on the Stock Exchange, from July 2010 to January 2016.

Mr. Cheng has entered into a service agreement with the Company for a term of 3 years commencing on 28 March 2017. He is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles. Pursuant to the terms of his service agreement, Mr. Cheng is entitled to a remuneration of HK\$240,000 per annum which was determined with reference to his duties and responsibilities within the Company.

As at the date hereof, Mr. Cheng did not have any interests in Shares and underlying Shares within the meaning of Part XV of the SFO.

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

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

NOTICE OF ANNUAL GENERAL MEETING



SOMERLEY CAPITAL HOLDINGS LIMITED

Somerley Capital Holdings Limited

新百利融資控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8439)

NOTICE IS HEREBY GIVEN that the annual general meeting (the “AGM”) of Somerley Capital Holdings Limited (the “Company”) will be held at Suites 903–905, 9th Floor, Shui On Centre, 6–8 Harbour Road, Wanchai, Hong Kong on Friday, 7 September 2018 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the directors and auditor of the Company for the year ended 31 March 2018;
2. (a) To approve the declaration and payment of a final dividend of HK3.5 cents per Share out of the share premium account of the Company (the “Final Dividend”) to shareholders of the Company whose names appear on the register of members of the Company on the record date fixed by the board of directors of the Company for determining the entitlements to the Final Dividend;

(b) To authorise any director of the Company to take such action, do such things and execute such further documents as the director of the Company may at his absolute discretion consider necessary or desirable for the purpose of or in connection with the implementation of the payment of the Final Dividend;
3. (a) To re-elect Mr. CHEUNG Tei Sing Jamie as an executive director of the Company;

(b) To re-elect Mr. CHENG Yuk Wo as an independent non-executive director of the Company;
4. To authorise the board of directors of the Company to fix the remuneration of the directors of the Company;
5. To re-appoint SHINEWING (HK) CPA Limited as auditor of the Company and to authorise the board of directors of the Company to fix its remuneration;

NOTICE OF ANNUAL GENERAL MEETING

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

6. **“THAT**

- (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and otherwise deal with additional shares or securities convertible into shares, options, warrants or similar rights to subscribe for any shares, and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of shares of the Company allotted and issued or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the directors of the Company pursuant to the approval in paragraph above, otherwise than pursuant to
 - (i) a Rights Issue (as hereinafter defined); or
 - (ii) the exercise of options under any share option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares of the Company or right to acquire shares of the Company; or
 - (iii) any scrip dividend or similar arrangements providing for the allotment of shares of the Company in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company in force from time to time; or
 - (iv) any issue of shares of the Company upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into shares of the Company,

shall not exceed 20% of the shares of the Company in issue on the date of the passing of this resolution and the said approval shall be limited accordingly;

NOTICE OF ANNUAL GENERAL MEETING

- (d) for the purpose of this resolution, “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law of the Cayman Islands to be held; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.

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

7. **“THAT**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase shares of the Company on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for such purpose, subject to and in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange, the Companies Law (as revised) of the Cayman Islands and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the aggregate number of shares of the Company which may be repurchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the issued shares of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) shall be limited accordingly;
 - (c) for the purposes of this resolution, “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law of the Cayman Islands to be held; or
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.”
8. “**THAT** conditional upon resolutions nos. 6 and 7 above being passed, the general mandate granted to the directors of the Company to exercise the powers of the Company to allot, issue and otherwise deal with shares of the Company pursuant to resolution no. 6 above be and hereby extended by the addition to the aggregate number of the shares of the Company which may be allotted by the directors of the Company pursuant to such general mandate of an amount representing the aggregate number of the shares of the Company repurchased by the Company under the authority granted pursuant to resolution no. 7 above, provided that such amount shall not exceed 10% of the issued shares of the Company at the date of passing of this resolution.”

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

Hong Kong, 7 August 2018

NOTICE OF ANNUAL GENERAL MEETING

Registered office:

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman
KY1-1111
Cayman Islands

*Headquarters, head office and
principal place of business
in Hong Kong:*

20th Floor
China Building
29 Queen's Road Central
Central
Hong Kong

Notes:

- (a) In order to be eligible to attend and vote at the AGM, all transfers of shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration not later than 4:00 p.m. on Friday, 31 August 2018.
- (b) Any member of the Company entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company. A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him to attend and vote on his behalf. If more than one proxy is so appointed, the appointment shall specify the number of shares in respect of which each such proxy is so appointed.
- (c) To be valid, a form of proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy thereof, must be lodged at the Company's branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for holding the AGM or any adjournment thereof (as the case may be).
- (d) Completion and return of the form of proxy shall not preclude members from attending and voting in person at the AGM or at any adjournment thereof (as the case may be) should they so wish, and in such case, the form(s) of proxy previously submitted by such member(s) shall be deemed to be revoked.
- (e) Where there are joint registered holders of any share(s) of the Company, any one of such persons may vote at the AGM, either in person or by proxy, in respect of such share(s) as if he were solely entitled thereto; but if more than one of such joint holders are present at the AGM personally or by proxy, the vote of that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share(s) shall be accepted to the exclusion of the votes of the other joint holders.
- (f) An explanatory statement containing further details regarding resolution no. 7 above is set out in Appendix I to the circular of which this notice of AGM forms part (the "Circular").
- (g) Details of the retiring directors of the Company are set out in Appendix II to the Circular.
- (h) A form of proxy for use at the AGM is published on the website of the Stock Exchange (www.hkgem.com) and the website of the Company (www.somerleycapital.com).
- (i) If Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in effect any time after 7:00 a.m. on the date of the AGM, the meeting will be postponed. The Company will post an announcement on the websites of the Company at www.somerleycapital.com and the Stock Exchange at www.hkgem.com to notify members of the date, time and place of the rescheduled meeting.

NOTICE OF ANNUAL GENERAL MEETING

- (j) The Final Dividends are payable to the Shareholders whose names appear on the register of members of the Company at close of business on Thursday, 13 September 2018, being the record date for determination of entitlement to the Final Dividends. In order to qualify for the Final Dividend, all transfer forms accompanied by relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration not later than 4:00 p.m. on Thursday, 13 September 2018. The Final Dividend will be paid in cash on or about Friday, 21 September 2018.

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

This notice will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com 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.