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SOMERLEY CAPITAL HOLDINGS LIMITED

Somerley Capital Holdings Limited

新百利融資控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8439)

DISCLOSEABLE TRANSACTION SUBSCRIPTION OF THE CLIMATE IMPACT ASIA FUND

The board (the “Board”) of directors (the “Directors”) of Somerley Capital Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) is pleased to announce that on 27 December 2019, the Company subscribed for Class A shares of The Climate Impact Asia Fund (the “Fund”) at a consideration of US\$2.8 million, approximately HK\$21.9 million (the “Subscription”), payable by cash.

On 27 December 2019, the Fund, through its administrator, has confirmed that the Subscription was allocated to the orders placed by the Company. The Group will fund the Subscription by the internal resources of the Group and will settle the same in December 2019.

PRINCIPAL TERMS OF THE FUND

Fund	The Climate Impact Asia Fund
Investment Manager	Environmental Investment Services Asia Limited
Investment Adviser	Milltrust International LLP
Administrator	MUFG Alternative Fund Services (Ireland) Ltd.
Environmental Consultant	World Wide Fund for Nature — Hong Kong
Investment Objective	The primary investment objective of the Fund is to achieve sustainable long-term returns together with a positive impact against climate change.

Investment Policies The Investment Manager seeks to achieve the objective of the Fund by investing primarily in companies in Asia (principally China, Hong Kong, Taiwan, India, South Korea, Thailand, Malaysia, Indonesia, Vietnam, Singapore, the Philippines, Japan), Australia and New Zealand with exposure to the low carbon environmental goods and services sector.

The Investment Manager may invest in a diversified portfolio of listed equities (including common and preferred stock), access products (such as participatory notes, swaps, contracts for differences), debt securities, stock warrants, index futures, and/or cash and cash equivalents.

The equities in which the Fund will invest will include equities listed on stock exchanges in the Asia Pacific region, as well as equities of companies which have operations in, exposure to, or derive a substantial part of their revenue or earnings from the Asia Pacific region, wherever they may be listed.

In selecting investments, the Investment Manager will seek to gain exposure to companies operating in sectors including (but not limited to) renewable energy, alternative energy, water, environmental services, green finance, low-carbon transport, energy management services, and green consumer staples. Such companies must derive at least 50% of their revenues or earnings (either at, or projected within three years from, the date of the investment) from the low carbon environmental goods and services sector, and which contribute a favourable impact to the climate, as determined by the Investment Manager. With a focus on the low carbon environmental goods and services sector, the Fund will aim to mitigate or reduce the effects of climate change and pollution as the world transitions towards a low carbon economy.

While the Fund will seek to achieve its investment objective by investing primarily in a long portfolio of equity securities, the Fund may also invest from time to time in (i) futures to short equity indices; (ii) forward currency exchange contracts; and (iii) option contracts (on equities and equity indices) as part of its portfolio management and hedging strategy.

Management Fee 1.25% per annum of net asset value of the shares (Class A)
1.75% per annum of net asset value of the shares (Class B)

Class A shares refer to shares held by investors investing US\$1 million or more, and Class B, to shares held by investors investing less than US\$1 million.

Redemption

The Fund can be redeemed by submitting a redemption request directly to the Administrator before 10:00 a.m. Irish time on any Business Day (whereby banks in both Hong Kong and Dublin are open and banks and stock exchanges of any country or countries on which at least 50% of the Fund's assets are traded are open for business).

The redemption price will be the net asset value per share less any redemption charge (if any) at the Valuation Point, 10:00 a.m. Irish time on the Business Day preceding the relevant Dealing Day.

The Dealing Day is the last Business Day of the calendar month that the redemption request is deemed to have been duly received. The Cut-Off Time is the point in time on a Dealing Day up until which applications for redemptions will be accepted, being 10:00 a.m. (Irish time) ten Business Days preceding the relevant Valuation Point.

INFORMATION OF THE GROUP AND THE INVESTMENT MANAGER

The Group is principally engaged in providing (i) corporate finance advisory services in Hong Kong and through its subsidiaries in Hong Kong and Beijing; and (ii) asset management services in Hong Kong.

The corporate finance advisory services of the Group 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 Rules Governing the Listing of Securities on GEM of 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, mostly for newly listed companies in Hong Kong; and (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.

Environmental Investment Services Asia Limited ("EISAL"), the investment manager of the Fund, became a non-wholly owned subsidiary of the Group in December 2018. Details of the acquisition were published in the announcements dated 10 July 2018 and 14 December 2018 (the "Announcements"). EISAL is a licensed corporation under the

Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”) to carry on Type 4 (advising on securities) and Type 9 (asset management) regulated activities.

INFORMATION OF THE INVESTMENT ADVISER, THE ADMINISTRATOR AND THE ENVIRONMENTAL CONSULTANT

Milltrust International LLP, the Investment Adviser and Distributor, is a limited liability partnership incorporated in England and Wales and is authorised by the Financial Conduct Authority. The Investment Adviser is a global investment firm providing investment management and advisory services to a number of investment funds primarily targeted at institutional investors.

MUFG Alternative Fund Services (Ireland) Ltd., the Administrator, provides comprehensive global asset servicing solutions. The Company offers fund administration, custody and transfer agency, trustee, depository, securities lending, banking, foreign exchange, and regulatory services.

World Wide Fund for Nature — Hong Kong, the Environmental Consultant, is an independent legal entity incorporated in Hong Kong with liability limited by guarantee and is part of the World Wide Fund for Nature (“WWF”) global network. WWF is an independent conservation organization, with over 30 million followers and a global network active in nearly 100 countries. WWF’s mission is to stop the degradation of the Earth’s natural environment and to build a future in which humans live in harmony with nature, by conserving the world’s biological diversity, ensuring that the use of renewable natural resources is sustainable, and promoting the reduction of pollution and wasteful consumption. World Wide Fund for Nature — Hong Kong, established in 1981, maintains a vision to transform the territory into Asia’s most sustainable city.

As at the date of this announcement, to the best of the information, knowledge, and belief of the Directors, having made all reasonable enquiries, the Investment Adviser, the Administrator, the Environmental Consultant, and their respective ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

INFORMATION OF THE FUND

According to its supplement, the Fund is an open-ended sub-fund of Milltrust International Managed Investments ICAV, a collective asset-management vehicle with variable capital having segregated liability between its sub-funds and registered in Ireland with limited liability. As the Fund is newly established, neither financial information nor past performance of the Fund is available.

As at the date of this announcement, to the best of the information, knowledge and belief of the Directors, having made all reasonable enquiries, the Fund and its respective ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

REASONS FOR AND BENEFIT OF THE SUBSCRIPTION

The Group maintains a strong financial position with substantial liquidity. Most of the Group's cash balances are placed in time deposits with reputable financial institutions. The Directors consider that the Subscription will enhance the return on cash for the Company.

The amount of the Subscription was determined by the Directors taking into account the investment strategy of the Fund, the liquidity, the portfolio of the investment of the Fund and the amount of cash available for the Company.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Subscription are fair and reasonable and the Subscription is in interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Subscription is more than 5% but less than 25%, the Subscription constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules. Therefore, the Subscription is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules but exempt from shareholders' approval requirement.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

for and on behalf of
Somerley Capital Holdings Limited
SABINE Martin Nevil
Chairman

Hong Kong, 27 December 2019

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

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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, the information

contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the 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.