



SOMERLEY GROUP LIMITED

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22 October 2026

Dear Fellow Shareholders,

As the Chairman and founder of the Somerley group, I am writing to explain to you why I decided to initiate the sale of a controlling stake in the Company, to which I have devoted most of my professional life.

I am proud of what the Somerley team has achieved over these years. We have built what is arguably the leading corporate finance advisory business in Hong Kong. This is no mean feat in the context of a rigorous and highly competitive market where periods of growth have been balanced by periods where conditions have been extremely challenging. As I write, Somerley is in a strong position, with increased revenue and a return to profitability in 2025/26, combined with liquid assets of over HK\$50 million and no bank borrowings. A positive profit alert in respect of the six months ended 30 September 2026 was issued on 22 September 2026.

At the same time, as far as sponsorship and underwriting positions are concerned, we have not participated meaningfully in the recent record-breaking run of the Hong Kong's initial public offering market, although we have benefitted from follow-on compliance adviser roles. We maintain Types 4 and 9 licences for fund management for which we have a small but experienced team, but we have not so far attracted a critical mass of assets under management. I believe there are important opportunities where the potential of Somerley is not being fully realised.

The Offeror has summarised its intentions for Somerley in the letter from their advisers and you should read their own words. Personally, I am convinced that the Offeror can materially assist Somerley in building an equity capital markets capability (initial public offerings and placings) and in expanding our fund management business. These would be significant steps in my long-held goal for Somerley to become a better balanced and more dynamic financial services group. Meanwhile, I believe our financial advisory business will go from strength to strength, having recently completed several landmark financial adviser/independent financial adviser deals. I will stay as Chairman as stated in the Composite Document.



As Chairman of a listed company, it is also my duty to keep in mind the interests of our loyal Shareholders. Somerley has paid dividends every year since its 2017 initial public offering, in addition to conducting share buy-backs from time to time. Nevertheless, when discussions with the Offeror started, the share price was trading in the range of HK\$0.30–0.40 per Share, which I do not believe reflects the value of the Company or is fair to Shareholders. As practitioners, our team is well aware of the premium which an active listed company in good standing can attract if the majority Shareholder is willing to cede control. Since our initial public offering, we have been approached regularly with such proposals but until now I have not felt confident that a potential purchaser could both thoroughly understand our existing core business and bring a strong capability to help us diversify and expand from that base.

I believe there is great potential for the future and that the current share price, while significantly above the Share Offer Price, is not out of line with our ambitions. SGL has undertaken not to accept the Share Offer for the balance of its holding not covered by the Sale and Purchase Agreement, as have I and my sons. You should of course be guided by the objective advice of the Independent Board Committee and Independent Financial Adviser as set out in their letters contained in this Composite Document. Whether you decide to accept the Share Offer or not, you will receive the Special Cash Dividend of HK\$0.08 per Share.

As the Independent Board Committee and Independent Financial Adviser advise, Optionholders in particular should be alert to the fact that any remaining Options not exercised or assented to the Option Offer will lapse at the close of the Offers.

I am excited about the next chapter of Somerley's story and thank all Shareholders for their consistent support in the past.

Kind regards,

Martin Sabine
Chairman