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KOALA Financial Group Limited

樹熊金融集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8226)

RESULTS OF THE RIGHTS ISSUE ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY ONE (1) EXISTING SHARE HELD ON THE RECORD DATE

Financial adviser to the Company



Underwriter to the Rights Issue



Supreme China Securities Limited
智華證券有限公司

Reference is made to the prospectus of KOALA Financial Group Limited (the “**Company**”) dated 5 August 2022 (the “**Prospectus**”) in relation to the Rights Issue on the basis of two (2) Rights Shares for every one (1) existing Share held on the Record Date. Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Prospectus.

RESULTS OF THE RIGHTS ISSUE

The Board is pleased to announce that as all the conditions set out in the Underwriting Agreement have been fulfilled and the Underwriting Agreement was not terminated by the Underwriter prior to the Latest Time for Termination, the Underwriting Agreement became unconditional at 4:00 p.m. on Monday, 22 August 2022.

As at 4:00 p.m. on Friday, 19 August 2022, being the latest time for acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares,

- (i) a total of 2 valid acceptances of provisional allotments under the PALs in respect of 127,834,824 Rights Shares have been received, representing approximately 45.93% of the total number of 278,335,994 Rights Shares available for subscription under the Rights Issue; and
- (ii) a total of 3 valid applications for excess Rights Shares under the EAFs in respect of 45,755,650 excess Rights Shares, representing approximately 16.44% of the total number of 278,335,994 Rights Shares available for subscription under the Rights Issue.

In aggregate, 5 valid acceptances and applications in respect of a total of 173,590,474 Rights Shares have been received, representing approximately 62.37% of the total number of 278,335,994 Rights Shares available for subscription under the Rights Issue. Accordingly, the Rights Issue was under-subscribed by 104,745,520 Rights Shares, representing approximately 37.63% of the total number of 278,335,994 Rights Shares available for subscription under the Rights Issue.

EXCESS APPLICATION

Given the under-subscription of the Rights Shares, the Directors consider that it is fair and reasonable to accept all valid EAFs and allot the excess Rights Shares to such applicants in full. Accordingly, no refund cheques for wholly and partially unsuccessful applications for excess Rights Shares will be posted.

THE UNDERWRITING AGREEMENT

As a result of the under-subscription of the Rights Shares and pursuant to the terms of the Underwriting Agreement, the Underwriter and the sub-underwriter have procured subscribers to subscribe for 104,745,520 Rights Shares, representing approximately 37.63% of the total number of 278,335,994 Rights Shares available for subscription under the Rights Issue. To the best of the Directors' knowledge, information and belief after having made reasonable enquiries, all the subscribers and their respective ultimate beneficial owners are Independent Third Parties and each of the subscribers is not a party acting in concert with each other and none of the subscribers has become a substantial Shareholder immediately after completion of the Rights Issue.

After the subscribers' subscription procured by the Underwriter and the sub-underwriter, the Rights Issue was finally fully subscribed. The details of the shareholding structure of the Company are shown in the section headed "SHAREHOLDING STRUCTURE OF THE COMPANY" below in this announcement.

USE OF PROCEEDS

The gross proceeds from the Rights Issue are approximately HK\$83.5 million and the net proceeds from the Rights Issue, after deducting all relevant expenses for the Rights Issue, are estimated to be approximately HK\$81.6 million. The net proceeds from the Rights Issue will be applied in accordance with the proposed use of proceeds set out in the section headed “Letter from the Board - Reasons for and benefits of the Rights Issue and use of proceeds” in the Prospectus.

SHAREHOLDING STRUCTURE OF THE COMPANY

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the table below sets out the shareholding structure of the Company immediately before and after completion of the Rights Issue:

	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	<i>No. of Shares</i>	<i>Approx. % (Note 1)</i>	<i>No. of Shares</i>	<i>Approx. % (Note 1)</i>
Wong Ka Man	26,533,363	19.07	79,600,089	19.07
Public Shareholders				
Subscribers procured by the Underwriter and the sub-underwriter (<i>Note 2</i>)	–	–	104,745,520	25.09
Other public Shareholders	112,634,634	80.93	233,158,382	55.84
Total	139,167,997	100.0	417,503,991	100.0

Notes:

- (1) The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.
- (2) The Underwriter confirmed that (i) each of the subscribers procured by the Underwriter and the sub-underwriter is an Independent Third Party and are not acting in concert (within the meaning of the Takeovers Code) with the Underwriter and its associates; (ii) the public float requirement under the GEM Listing Rules shall be complied with by the Company upon completion of the Rights Issue; and (iii) the Underwriter or each subscriber procured by the Underwriter (together with parties acting in concert with the respective subscribers or any of the connected persons or associates of the respective subscribers) shall not hold in aggregate 30% or more of the voting rights of the Company immediately after the Rights Issue.

DESPATCH OF SHARE CERTIFICATES FOR THE RIGHTS SHARES

Share certificates for the fully-paid Rights Shares are expected to be despatched to the relevant Shareholders entitled thereto by ordinary post, at their own risk, to their respective registered addresses on Monday, 29 August 2022.

COMMENCEMENT OF DEALINGS IN THE FULLY-PAID RIGHTS SHARES

Dealings in the Rights Shares, in their fully-paid form, are expected to commence on the Stock Exchange at 9:00 a.m. on Tuesday, 30 August 2022.

By order of the Board
KOALA FINANCIAL GROUP LIMITED
Kwan Kar Ching
Chairlady

Hong Kong, 26 August 2022

As at the date of this announcement, the Board comprises five Directors namely Ms. Kwan Kar Ching and Ms. Hsin Yi-Chin, being the executive Directors and Mr. Hung Cho Sing, Mr. Luk Kin Ting and Mr. Ng Wah Leung, being the independent non-executive Directors.

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 HKEX website at “www.hkexnews.hk” on the “Latest Listed Company Information” page for at least 7 days from the date of its posting and on the website of the Company at “www.koala8226.com.hk”.

In the case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.