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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)

DISCLOSEABLE TRANSACTION DISPOSAL OF LISTED SECURITIES

THE DISPOSALS

On 29 November 2022, the Company conducted a series of on-market transactions through the Seller to dispose an aggregate of 3,215,000 Aerospace Technology Shares (representing 1.04% of the issued share capital of Aerospace Technology as at the date of this announcement) at an average price between HK\$4.30 and HK\$4.78 per Aerospace Technology Share for an aggregate consideration of HK\$14,277,344 (exclusive of stamp duty and transaction costs).

GEM LISTING RULES IMPLICATION

As one or more than one of the applicable percentage ratios under Rule 19.07 of the GEM Listing Rules for the Disposals are more than 5% but less than 25%, the Disposals constitute a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and are therefore subject to the notification and announcement requirements under the GEM Listing Rules.

THE DISPOSALS

On 29 November 2022, the Company, through the Seller, conducted a series of on-market transactions to dispose an aggregate of 3,215,000 Aerospace Technology Shares (representing approximately 1.04% of the total issued share capital of Aerospace Technology as at the date of this announcement) at an average price between HK\$4.30 and HK\$4.78 per Aerospace Technology Share for an aggregate consideration of HK\$14,277,344 (exclusive of stamp duty and transaction costs) which is received in cash on settlement. Upon completion of the Disposals, the Group ceased to hold any Aerospace Technology Shares.

As the Disposals were conducted in the open market, the Company is not aware of the identities of the purchasers. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the purchasers and their ultimate beneficial owners are Independent Third Parties.

INFORMATION ON AEROSPACE TECHNOLOGY

Aerospace Technology is a company incorporated in the Cayman Islands with limited liability. The Aerospace Technology Shares are listed on the Main Board of the Stock Exchange (stock code: 1725).

Aerospace Technology Group is principally engaged in (i) the business of electronics manufacturing services which includes provision of design enhancement and verification, offering of technical advice and engineering solutions, raw materials selection and procurement, quality control, logistic and delivery and after-sale services to customers in respect of assembling and production of printed circuit board assemblies and fully-assembled electronic products and (ii) aerospace business, which includes (a) satellite measurement and controlling; (b) satellite manufacturing; and (c) satellite launching.

The following financial information of Aerospace Technology Group is extracted from its published annual reports for the years ended 31 December 2020 and 2021:

	2021 <i>RMB'000</i> (audited)	2020 <i>RMB'000</i> (audited)
Revenue	650,230	547,825
Profit/(loss) before taxation	(46,957)	20,327
Profit/(loss) for the year	(53,075)	17,323
Total assets	941,311	575,763
Net assets value	391,543	250,290

INFORMATION ON THE GROUP AND THE SELLER

The Company is an investment holding company, whereas the Group is principally engaged in (i) provision of securities brokerage, underwriting, placing services and margin financing; (ii) money lending; (iii) securities investment; and (iv) investment in properties.

The Seller is a company incorporated in Hong Kong with limited liability. It is an indirect wholly-owned subsidiary of the Company, and is principally engaged in provision of management services to members of the Group and securities investment.

REASONS FOR AND BENEFITS OF THE DISPOSALS

As part of the securities investment business of the Group, the Group has been investing in Aerospace Technology. The Disposals provide the Group with a good opportunity to realise its investment in Aerospace Technology. The Disposals were made with reference to the prevailing market price for Aerospace Technology Shares and the Directors consider that the Disposals can enable the Group to solidify its financial and cash position. The Disposal(s) will allow the Group to realise its investments and reallocate its financial resources to other business needs.

In view of the aforesaid and having considered that the Disposals were made in the open market at prevailing market price, the Directors are of view that the Disposals were fair and reasonable, on normal commercial terms and in the interest of the Company and its shareholders as a whole.

FINANCIAL EFFECTS OF THE DISPOSAL AND USE OF PROCEEDS

The Group is expected to recognise a gain of approximately HK\$9,941,710 from the Disposals, being the difference between the aggregate consideration for the Disposals (inclusive of stamp duty and transaction costs) and the aggregate average acquisition costs of the Aerospace Technology Shares. The actual amount of gain as a result of the Disposals will be subject to review and final audit by the auditor of the Company.

It is intended that the net proceeds of approximately HK\$14,249,810 from the Disposals will be used for development of the Group's existing businesses, in particular its securities brokerage business and money lending business and as general working capital of the Group.

GEM LISTING RULES IMPLICATIONS

As one or more than one of the applicable percentage ratios under Rule 19.07 of the GEM Listing Rules for the Disposals are more than 5% but less than 25%, the Disposals constitute a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and are therefore subject to the notification and announcement requirements under the GEM Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Aerospace Technology”	Hong Kong Aerospace Technology Group Ltd (formerly known as Eternity Technology Holdings Limited), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1725)
“Aerospace Technology Group”	Aerospace Technology and its subsidiaries
“Aerospace Technology Share(s)”	share(s) of Aerospace Technology
“Board”	the board of Directors
“Company”	KOALA Financial Group Limited, a company incorporated in the Cayman Islands with limited liability and shares of which are listed on the GEM (stock code: 8226)
“Disposals”	the disposals of 3,215,000 Aerospace Technology Shares (representing 1.04% of the issued share capital of Aerospace Technology as at the date of this announcement) by the Group on the open market for an aggregate consideration of HK\$14,277,344
“Director(s)”	the director(s) of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) or company(ies) who is(are) independent of and not connected (within the meaning of the GEM Listing Rules) with the Company and its connected persons

“Main Board”	The Main Board of the Stock Exchange
“PRC”	People’s Republic of China
“Seller”	Honest Smart Investment Limited, an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency in Hong Kong
“%”	per cent

By order of the Board
KOALA Financial Group Limited
Kwan Kar Ching
Chairlady

Hong Kong, 2 December 2022

As at the date of this announcement, the Board comprises six Directors namely Ms. Hsin Yi-Chin and Ms. Tam Chik Yan, being the executive Directors; Ms. Kwan Kar Ching, being the non-executive Director 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.