



**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

**Interim Report 2023**

## CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (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.

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*This report, for which the directors (the "**Directors**") of KOALA Financial Group Limited (the "**Company**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (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 report is accurate and complete in all material respects and not misleading and deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

The board of directors (the “**Board**”) of the Company announces the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2023, together with the comparative figures as follows:

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

For the six months ended 30 June 2023

	Note	For the three months ended 30 June		For the six months ended 30 June	
		2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
Revenue		<b>6,848</b>	6,666	<b>13,582</b>	12,985
Cost of services		<b>(219)</b>	(844)	<b>(419)</b>	(1,169)
Gross profit		<b>6,629</b>	5,822	<b>13,163</b>	11,816
Realised (loss)/gain on sale of listed securities		<b>(233)</b>	(1,027)	<b>17</b>	(1,378)
Unrealised (loss)/gain on listed securities		<b>(185)</b>	17,794	<b>525</b>	(29,918)
Other income, gains and losses		<b>675</b>	152	<b>1,355</b>	86
Administrative expenses		<b>(2,877)</b>	(3,621)	<b>(5,980)</b>	(6,614)
Finance costs	4	<b>(128)</b>	(13)	<b>(281)</b>	(121)
Profit/(loss) before tax	5	<b>3,881</b>	19,107	<b>8,799</b>	(26,129)
Income tax (expense)/credit	6	<b>(463)</b>	(3,201)	<b>(1,157)</b>	4,088
<b>Profit/(loss) and total comprehensive income/(expense) for the period</b>		<b>3,418</b>	15,906	<b>7,642</b>	(22,041)

	Note	For the three months ended 30 June		For the six months ended 30 June	
		2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
<b>Profit/(loss) and total comprehensive income/(expense) for the period attributable to:</b>					
Owners of the Company		<b>3,045</b>	15,378	<b>6,911</b>	(23,120)
Non-controlling interests		<b>373</b>	528	<b>731</b>	1,079
		<b>3,418</b>	15,906	<b>7,642</b>	(22,041)
<b>Earnings/(loss) per share</b>		<b>2023 HK cents</b>	2022 HK cents (restated)	<b>2023 HK cents</b>	2022 HK cents (restated)
- Basic and diluted	7	<b>0.73</b>	10.09	<b>1.66</b>	(15.17)

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2023

		As at	
	Note	30 June 2023 HK\$'000	31 December 2022 HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment		540	703
Right-of-use assets		4,987	384
Investment properties		18,000	18,000
Goodwill		18,302	18,302
Intangible assets		20,000	20,000
Loans and interest receivables		14,698	6,804
		<b>76,527</b>	64,193
<b>Current assets</b>			
Loans and interest receivables		56,925	36,363
Accounts receivable	9	125,677	101,935
Prepayments and deposits paid		1,677	4,832
Financial assets at fair value through profit or loss		52,583	42,716
Bank balances – time deposits		-	5,000
Bank balances – trust accounts		42,967	61,802
Bank balances and cash – general accounts and cash		105,737	161,178
Tax recoverable		143	227
		<b>385,709</b>	414,053
<b>Current liabilities</b>			
Accounts payable	10	48,046	68,316
Other payables and accruals		585	1,208
Rental deposits received		104	104
Lease liabilities		1,801	202
Corporate bonds payable		-	10,000
Income tax payable		9,451	8,194
Bank balances – margin account		1,396	-
		<b>61,383</b>	88,024

	Note	As at	
		30 June 2023 HK\$'000	31 December 2022 HK\$'000
<b>Net current assets</b>		<b>324,326</b>	326,029
<b>Total assets less current liabilities</b>		<b>400,853</b>	390,222
<b>Non-current liabilities</b>			
Lease liabilities		<b>2,989</b>	-
Deferred tax liabilities		<b>3,217</b>	3,217
		<b>6,206</b>	3,217
<b>Net assets</b>		<b>394,647</b>	387,005
<b>Capital and reserves</b>			
Share capital	11	<b>83,501</b>	83,501
Reserves		<b>302,414</b>	295,503
Equity attributable to owners of the Company		<b>385,915</b>	379,004
Non-controlling interests		<b>8,732</b>	8,001
<b>Total equity</b>		<b>394,647</b>	387,005

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 30 June 2023

	Attributable to owners of the Company				Non-controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Accumulated losses HK\$'000	Subtotal HK\$'000		
At 1 January 2022	27,833	653,399	(328,184)	353,048	10,413	363,461
Total comprehensive (expenses)/income for the period	-	-	(23,120)	(23,120)	1,079	(22,041)
At 30 June 2022	27,833	653,399	(351,304)	329,928	11,492	341,420
At 1 January 2023	<b>83,501</b>	<b>679,147</b>	<b>(383,644)</b>	<b>379,004</b>	<b>8,001</b>	<b>387,005</b>
Total comprehensive income for the period	-	-	6,911	6,911	731	7,642
At 30 June 2023	<b>83,501</b>	<b>679,147</b>	<b>(376,733)</b>	<b>385,915</b>	<b>8,732</b>	<b>394,647</b>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six months ended 30 June 2023

	For the six months ended 30 June	
	2023 HK\$'000	2022 HK\$'000
Net cash (used in)/generated from operating activities	<b>(51,496)</b>	9,660
Net cash generated from investing activities	<b>1,060</b>	11
Net cash used in financing activities	<b>(5,005)</b>	(1,247)
Net (decrease)/increase in cash and cash equivalents	<b>(55,441)</b>	8,424
Cash and cash equivalents at beginning of the period	<b>161,178</b>	123,471
Cash and cash equivalents at end of the period	<b>105,737</b>	131,895
Analysis of cash and cash equivalents at end of the period: Bank balances and cash – general accounts and cash	<b>105,737</b>	131,895



# NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 June 2023*

## 1. GENERAL

The Company is a limited liability company incorporated in the Cayman Islands, and the issued shares of the Company are listed on GEM of the Stock Exchange.

The Company is principally engaged in investment holding. The principal activities of the Company's principal subsidiaries are set out as follow:

- Securities investments
- Provision of financial services (including securities placing, underwriting and brokerage services, and margin financing)
- Leasing of investment properties
- Money lending business
- Provision of assets management services

The consolidated financial statements are presented in Hong Kong dollar ("HK\$"), which is the same as the functional currency of the Company.

## 2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. In addition, the condensed consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange and by the Hong Kong Companies Ordinance.

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in the exchange for goods and services.

The accounting policies and method of computation used in preparing the financial statements are consistent with those used in the audited financial statements for the year ended 31 December 2022.

The Group has adopted certain new/revised Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (hereinafter collectively referred to as the "HKFRSs") that are effective for the current accounting period. The adoption of the new/revised HKFRSs has no material impact on the Group's financial statements.

The Group has not early adopted the new/revised HKFRSs, that have been issued but are yet effective, and are potentially relevant to the Group's financial statements.

The condensed financial statements are unaudited but have been reviewed by the audit committee of the Company.

### **3. OPERATING SEGMENT INFORMATION**

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment results, which is a measure of adjusted results before tax. The adjusted results before tax is measured consistently with the Group's results before tax except that bank interest income, finance costs, as well as other head office and corporate expenses are excluded from such measurement.

Segment assets exclude unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

## Segment revenue and results

	Segment revenue		Segment profit/(loss)	
	For the six months ended 30 June		For the six months ended 30 June	
	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
Securities investments	-	-	542	(31,296)
Provision of financial services	9,844	11,005	9,327	9,934
Leasing of investment properties	252	252	207	224
Money lending business	3,486	1,728	3,385	1,372
Provision of assets management services	-	-	(121)	(122)
	<b>13,582</b>	12,985	<b>13,340</b>	(19,888)

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current period (2022: Nil).

	For the six months ended 30 June	
	2023 HK\$'000	2022 HK\$'000
Segment profit/(loss) reported above	13,340	(19,888)
Interest income from bank deposits	1,050	11
Corporate and other unallocated expenses – net	(5,310)	(6,131)
Finance costs	(281)	(121)
Profit/(loss) before tax	8,799	(26,129)
Income tax (expense)/credit	(1,157)	4,088
Profit/(loss) for the period	<b>7,642</b>	(22,041)

## Segment assets and liabilities

	As at	
	30 June 2023 HK\$'000	31 December 2022 HK\$'000
<b>Segment assets</b>		
Securities investments	52,583	42,716
Provision of financial services	200,163	251,735
Leasing of investment properties	18,101	18,102
Money lending business	76,361	51,350
Provision of assets management services	562	639
Total segment assets	347,770	364,542
Corporate and other unallocated assets	114,466	113,704
Total assets	462,236	478,246

	As at	
	30 June 2023 HK\$'000	31 December 2022 HK\$'000
<b>Segment liabilities</b>		
Provision of financial services	51,370	73,616
Leasing of investment properties	104	104
Total segment liabilities	51,474	73,720
Corporate and other unallocated liabilities	16,115	17,521
Total liabilities	67,589	91,241

## 4. FINANCE COSTS

	For the three months ended 30 June		For the six months ended 30 June	
	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
Interest on:				
- Corporate bonds payable	17	-	117	90
- Lease liabilities	70	13	96	31
- Other borrowing	41	-	68	-
	<b>128</b>	13	<b>281</b>	121

## 5. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging:

	For the three months ended 30 June		For the six months ended 30 June	
	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
Depreciation of property, plant and equipment	71	92	163	185
Depreciation of right-of-use assets	<b>582</b>	679	<b>1,243</b>	1,355

## 6. INCOME TAX EXPENSE/(CREDIT)

	For the three months ended 30 June		For the six months ended 30 June	
	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
Hong Kong				
- Current tax charge	463	217	1,157	625
- Deferred tax charge/(credit)	-	2,984	-	(4,713)
Income tax expense/(credit)	463	3,201	1,157	(4,088)

Under the two-tiered profits tax rates regime, the first HK\$2 million of the assessable profits of qualifying group entity are taxed at 8.25%, and assessable profits above HK\$2 million are taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the rate of 16.5%.

For the six months ended 30 June 2022 and 30 June 2023, Hong Kong profits tax is calculated in accordance with the two-tiered profits tax rates regime.

## 7. EARNINGS/(LOSS) PER SHARE

The calculation of the basic earnings/(loss) per share is based on the following data:

	For the three months ended 30 June		For the six months ended 30 June	
	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
<b>Profit/(loss):</b> Profit/(loss) for the purpose of basic earnings/(loss) per share	<b>3,045</b>	15,378	<b>6,911</b>	(23,120)
	<b>Number of shares '000</b>	Number of shares '000 (restated)	<b>Number of shares '000</b>	Number of shares '000 (restated)
<b>Number of shares:</b> Weighted average number of ordinary shares for the purpose of calculating basic earnings/(loss) per share	<b>417,504</b>	152,422	<b>417,504</b>	152,422

The weighted average number of ordinary shares for the purpose of calculating basic earnings/(loss) per share for the periods ended 30 June 2022 has been adjusted, taking into account the bonus element of the rights issue which were completed on 29 August 2022. The corresponding weighted average number of ordinary shares for the periods ended 30 June 2022 has been retrospectively adjusted to reflect the said bonus element of the rights issue.

Diluted earnings/(loss) per share for both of the periods ended 30 June 2023 and 2022 were the same as basic earnings/(loss) per share as there were no potential dilutive ordinary shares in issue during both periods.

## 8. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2023 (2022: Nil).

## 9. ACCOUNTS RECEIVABLE

	As at	
	30 June 2023 HK\$'000	31 December 2022 HK\$'000
Accounts receivable from – clearing house, brokers and cash clients	38,593	18,790
– margin clients	87,084	83,145
	125,677	101,935

### Accounts receivable from the business of securities brokerage

#### *Clearing house, brokers and cash clients*

The settlement terms of accounts receivable from clearing house, brokers and cash clients are two days after trade date. The accounts receivable from clearing house, brokers and cash clients are not past due based on settlement terms and are not impaired. The accounts receivable from clearing house, brokers and cash clients as at 30 June 2023 were settled subsequent to that date.

No ageing analysis of the accounts receivable from clearing house, brokers and cash clients is disclosed as management of the Group is of the view that the ageing analysis does not give additional value in view of the nature of this business.



### **Margin clients**

Margin clients receivable at 30 June 2023 are secured by clients' pledged securities at fair value of approximately HK\$87,548,000 (31 December 2022: HK\$279,626,000). The margin clients receivable are repayable on demand and carry interest ranged from 6% to 22% (2022: 6% to 16%) per annum. All the accounts receivable from margin clients are neither past due nor impaired. The management has considered the consistently low historical default rate for those receivables as there has not been a significant changes in credit quality of the margin clients and the receivables have been secured by pledged securities of these clients.

## **10. ACCOUNTS PAYABLE**

	<b>As at</b>	
	<b>30 June 2023 HK\$'000</b>	<b>31 December 2022 HK\$'000</b>
Accounts payable from clearing house, brokers and cash clients	<b>48,046</b>	68,316

### **Accounts payable from the business of securities brokerage**

The settlement terms of accounts payable to clearing house, brokers and cash clients are two days after trade date. The accounts payable as at 30 June 2023 were settled subsequent to that date.

No ageing analysis of the accounts payable to clearing house, brokers and cash clients is disclosed as management of the Group is of the view that the ageing analysis does not give additional value in view of the nature of this business.

## 11. SHARE CAPITAL

	Number of shares '000	Amount HK\$'000
<b>Authorised:</b>		
At 1 January 2022, 31 December 2022 and 30 June 2023	<b>1,000,000</b>	<b>200,000</b>
<b>Issued and fully paid:</b>		
At 1 January 2022	139,168	27,833
Rights issue ( <i>note</i> )	278,336	55,668
At 31 December 2022 and 30 June 2023	<b>417,504</b>	<b>83,501</b>

Note:

On 29 August 2022, the Company issued 278,355,994 ordinary shares of HK\$0.2 each at a subscription price of HK\$0.3 per ordinary share, in connection with the right issue on the basis of two rights share for every one consolidated share held, resulting in net proceeds of HK\$79,331,000.

## 12. CAPITAL COMMITMENTS

As at 31 December 2022 and 30 June 2023, the Group did not have any significant capital commitments.

## 13. RELATED PARTY TRANSACTIONS

For the six months ended 30 June 2023, the Group did not have any transactions with related parties.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

During the period, the Group's businesses were organised in four operation's segments namely (i) Securities Brokerage Business; (ii) Money Lending Business; (iii) Securities Investment Business and (iv) Properties Investment Business.

### Securities Brokerage Business

The Group carries out the securities brokerage business through its subsidiary, namely KOALA Securities Limited (樹熊證券有限公司) ("KOALA Securities"), which



**KOALA Securities Limited**  
樹熊證券有限公司

[www.koalasecurities.com.hk](http://www.koalasecurities.com.hk)

is to conduct Type 1 (Dealing in Securities) and Type 4 (Advising on Securities) regulated activities under the Securities and Futures Ordinance ("SFO"). KOALA Securities possesses the right to be eligible to trade on or through the Stock Exchange and is a participant of the Hong Kong Securities Clearing Company Limited.

Founded in 2015, KOALA Securities is a well-established integrated securities broker in the Hong Kong financial services industry. It primarily provides (i) brokerage services, (ii) margin and short-term IPO financing, and (iii) placing and underwriting services to its customers.

The revenue breakdown for the six months ended 30 June 2022 and 2023 are as follows:

	<b>2023</b> <b>HK\$'000</b>	2022 HK\$'000
Revenue from brokerage services	<b>481</b>	1,510
Revenue from margin financing	<b>8,495</b>	4,366
Revenue from placing and underwriting	<b>868</b>	5,129
	<b>9,844</b>	11,005

With a view to further improving the revenue from the brokerage and margin financing services, during the period, the Group has enlarged the capacity of the margin financing service by reserving more funds to customers who wish to purchase securities on a margin basis. The Board expects this segment will become one of the major growth drivers to the Group.

Revenue from this business segment during the period was approximately HK\$9.8 million, representing a slightly decrease as compared to approximately HK\$11.0 million in the corresponding period of 2022. It accounted for approximately 72.5% (2022: 84.8%) of the Group's revenue during the period.

## Money Lending Business

The Group carries out the money lending business through its wholly-owned subsidiary, namely Honest Smart Finance Limited (傑誠財務有限公司) ("**Honest Smart Finance**"). It is a money lender licenced in Hong Kong under the provisions of the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong).



In developing the money lending business, Honest Smart Finance provides various loan products to borrowers, which mainly include:

- (a) Personal loans, which are offered to individual customers to meet their personal financial needs; and
- (b) Corporate loans, which are offered to corporate customers to fulfill their short and long term capital needs.

Through 1) our brand developed in certain online financial media, 2) proactively approaching by our management and 3) referrals from existing customers, Honest Smart Finance would identify the potential customers.

The source of funds of the Honest Smart Finance is mainly from the Groups' internal financing, the Board expect that this business activity can generate additional return on the group idle funds from time to time.

The borrowers' breakdown for the six months ended 30 June 2022 and 2023 are as follows:

	2023	2022
<b>Personal loans</b>		
Number of personal loans (per person)	17	10
Outstanding principal of personal loans (millions)	41.4	15.9
Range of interest rates (per annum)	3.5% - 36.0%	3.5% - 36.0%
<b>Corporate loans</b>		
Number of corporate loans (per company)	11	5
Outstanding principal of corporate loans (millions)	31.5	9.0
Range of interest rates (per annum)	7.0% - 24.0%	8.4% - 14.0%

Honest Smart Finance will only advance new loans to those borrowers whose have good financial credit rating and all overdue balances are reviewed regularly by its senior management.

The outbreak of the coronavirus had further worsened the economy, and heightened volatility and risks. Honest Smart Finance has adopted more cautious and prudent approach in the assessments and approval of new loans or renewal of existing loans in order to mitigate its credit risk.

During the period, the Group recorded loan interest income of approximately HK\$3.5 million (2022: HK\$1.7 million) from granting loans to both corporate and individual clients. It accounted for approximately 25.7% (2022: 13.3%) of the Group's revenue during the period. The loans and interests receivable as at 30 June 2023 was HK\$71.6 million (31 December 2022 HK\$43.2 million). During the period, the Group did not record any doubtful or bad debt in its money leading activities.

## Securities Investment Business

The Group commenced the securities investment business in the third quarter of 2015. The investment scope includes short-term investments in listed securities in Hong Kong and other recognised overseas securities markets as well as other related investment products offered by banks and financial institutions, with the goal to generate additional investment returns on available funds of the Company from time to time.

As at 30 June 2023, the Group managed a portfolio of listed equity investment with fair value of approximately HK\$52.6 million (31 December 2022: HK\$42.7 million) which are classified as held-for-trading investments. During the period, the Group recorded a gain on fair value change of listed equity investments of approximately HK\$0.5 million (2022: loss of approximately HK\$29.9 million) and a realised gain of approximately HK\$0.02 million (2022: loss of approximately HK\$1.4 million).

## Properties Investment Business

In the third quarter of 2016, the Group had commenced its properties investment business and acquired certain commercial property in Hong Kong for investment purpose. The Group may lease out its investment properties for recurring rental income, which generates stable rental income to the Group.

In order to further expand the portfolio of investment properties of the Group, the Board is proactively identifying suitable commercial properties in Hong Kong, while it is also seeking the opportunities to expand the coverage to retail and industrial properties in Hong Kong, so as to diversify its investment properties portfolio.

During the period, the rental income was approximately HK\$0.3 million (2022: HK\$0.3 million). It accounted for approximately 1.9% (2022: 1.9%) of the Group's revenue during the period.

## FINANCIAL REVIEW

For the six months ended 30 June 2023, the revenue of the Group increased to approximately HK\$13.6 million (2022: HK\$13.0 million), representing an increase of approximately 4.6% when compared with that of 2022. The reason for the increase in turnover was primarily attributable to the increase of segmental revenue from the money lending business.

For the six months ended 30 June 2023, the Group recorded a fair value gain on listed securities of approximately HK\$0.5 million as compared to the loss of approximately HK\$29.9 million for the same corresponding period in 2022. The fair value loss recognised in 2022 was mainly caused by the significant drop in market value on the investment in Hong Kong Aerospace Technology Group Limited (stock code: 1725) of approximately HK\$30.6 million.

For the six months ended 30 June 2023, the Group's administrative expenses were approximately HK\$6.0 million (2022: HK\$6.6 million), which decreased approximately 10.0% as compared with the corresponding period of last year. The reason for such decrease was mainly due to the decrease in the professional fee for this period.

Due to the above reasons, the Group recorded a net profit of approximately HK\$7.6 million for the six months ended 30 June 2023, representing an increase as compared with a net loss of approximately HK\$22.0 million for the same period of 2022.

## LOOKING AHEAD

Looking forward, the Board will continue to develop current businesses and at the same time proactively explore new business areas and seek suitable investment opportunities. Besides, the Group will continue to strictly control risks, strengthen internal management, integrate dominant resources and develop a cautious investment strategy in order to create a better return for its shareholders.

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

For the six months ended 30 June 2023, the Group's major business operations took place in Hong Kong, financed mainly by the revenue generated from operating activities and corporate borrowings. As at 30 June 2023, the Group had cash and bank balances of approximately HK\$105.7 million (31 December 2022: HK\$161.2 million).

As at 30 June 2023, the Group's total indebtedness comprised of no corporate bonds payable (31 December 2022: HK\$10.0 million), other borrowing of HK\$1.4 million (31 December 2022: Nil) and lease liabilities of HK\$4.8 million (31 December 2022: HK\$0.2 million).

As at 30 June 2023, the Group's outstanding number of issued shares of HK\$0.2 each was 417,503,991 shares (31 December 2022: 139,167,997 shares).

The Group's gearing ratio, as a percentage of total indebtedness over total indebtedness and total equity, as at 30 June 2023 was 1.5% (31 December 2022: 2.6%).

## MATERIAL ACQUISITIONS AND DISPOSALS

For the six months ended 30 June 2023, the Group did not have any material acquisitions or disposals which would be required to be disclosed under the GEM Listing Rules.

## EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2023, the Group had about 18 (2022: 19) employees. The Group's staff costs, including directors' emoluments, employees' salaries and retirement benefits scheme contribution amounted to approximately HK\$2.7 million (2022: HK\$2.7 million).

The Group believes that its staff is one of the Group's most important assets. Aiming at providing competitive salary packages, the Group adjusts employees' salary level in close association with the performance, qualifications and experience of individual staff as well as labour market conditions. In addition to the regular remuneration, discretionary bonus and share options may be awarded to eligible employees with reference to individual performance and the Group's business performance. The Group is also committed to providing appropriate on-going training to staff members to equip them for future career development.

## PLEDGE ON ASSETS

As at 31 December 2022 and 30 June 2023, the Group did not have any substantial pledge of assets.

## CONTINGENT LIABILITIES

As at 31 December 2022 and 30 June 2023, the Group did not have any material contingent liabilities.



## FOREIGN EXCHANGE EXPOSURE

During the period under review, the Group's transactions were mainly denominated in Hong Kong dollars. The Board do not consider that the Group was significantly exposed to any foreign currency exchange risk.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

None of the Directors nor chief executives of the Company had interests or short positions in any shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as at 30 June 2023.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2023, the register of substantial shareholders maintained by the Company pursuant to section 336 of the SFO shows that the following shareholders had notified the Company of relevant interests and short positions in the issued share capital of the Company:

### Long positions in ordinary shares and underlying shares of the Company

Announcement	Capacity	Number of Ordinary shares held	Number of underlying shares held	Total	Percentage of issued share capital of the Company
Ms. Wong Ka Man	Beneficial owner	79,600,089	-	79,600,089	19.07%

Save as disclosed above, the Company has not been notified of any other interests or short positions in the issued share capital of the Company as at 30 June 2023.

## SHARE OPTIONS

The share option scheme effective on 8 July 2002 was terminated and a new share option scheme (the “**Existing Share Option Scheme**”) was adopted and became effective for a period of 10 years commencing from 15 June 2012. The Existing Share Option Scheme was expired on 15 June 2022. Upon the expiration of the Existing Share Option Scheme, no further options will be offered. The Group did not have any outstanding share options as at 31 December 2022 and 30 June 2023.

## DIRECTORS’ RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Saved as disclosed above, at no time during the period were the rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or chief executive of the Company or their respective spouse or children under 18 years of age, or were any such rights exercised by them or was the Company or its subsidiaries a party to any arrangement to enable the Directors to acquire such rights or benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## DIRECTORS’ INTEREST IN COMPETING BUSINESS

None of the Directors or the management shareholders of the Company (as defined in the GEM Listing Rules) had an interest in a business, which competes or may compete with the business of the Group.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the period.

## CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding directors’ securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, the Directors have complied with such code of conduct and required standard of dealings and its code of conduct regarding security transactions by the Directors throughout the six months ended 30 June 2023.

## CORPORATE GOVERNANCE PRACTICES AND PROCEDURES

The Company has complied with the code provisions of the Code on Corporate Governance Practices (the “CG Code”) set out in Appendix 15 of the GEM Listing Rules throughout the six months ended 30 June 2023.

## CHANGE IN INFORMATION OF DIRECTORS

The Company is not aware of any other change in Directors’ information which are required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules subsequent to the date of the 2022 annual report.

## AUDIT COMMITTEE

The Company has an audit committee which was established in accordance with the requirements of the CG Code as defined in the GEM Listing Rules for the purpose of reviewing and providing supervision over the Group’s financial reporting processes and internal controls. The audit committee comprises exclusively of independent non-executive Directors.

The Group’s unaudited results for the six months ended 30 June 2023 have been reviewed by the audit committee, which was of the opinion that such financial statements complied with the applicable accounting standards and that adequate disclosures have been made.

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

Hong Kong, 11 August 2023

*As at the date of this report, 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 report will remain on the “Latest Listed Company Information” page of the HKEX website at “www.hkexnews.hk” for at least seven days from its date of posting and on the Company’s website at “www.koala8226.com.hk”.*