



**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 2024**

## 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 2024, 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 2024

	Note	For the six months ended 30 June	
		2024 HK\$'000	2023 HK\$'000
<b>Revenue</b>			
– Contracts with customers		711	1,349
– Leases		252	252
– Interest income under effective interest method		10,205	11,981
<b>Total revenue</b>		<b>11,168</b>	13,582
Cost of services		(495)	(419)
<b>Gross profit</b>		<b>10,673</b>	13,163
Realised (loss)/gain on sale of listed securities		(3,166)	17
Unrealised (loss)/gain on listed securities		(4,185)	525
Other income, gains and losses, net		(19,860)	1,355
Administrative expenses		(6,526)	(5,980)
Finance costs	4	(130)	(281)
<b>(Loss)/profit before tax</b>	5	<b>(23,194)</b>	8,799
Income tax credit/(expense)	6	3,827	(1,157)
<b>(Loss)/profit and total comprehensive (expense)/income for the period</b>		<b>(19,367)</b>	7,642

For the six months  
ended 30 June

	Note	2024 HK\$'000	2023 HK\$'000
<b>(Loss)/profit and total comprehensive (expense)/income for the period attributable to:</b>			
Owners of the Company		(18,552)	6,911
Non-controlling interests		(815)	731
		(19,367)	7,642
<b>(Loss)/earnings per share</b>		<b>2024 HK cents</b>	<b>2023 HK cents</b>
- Basic and diluted	7	(4.44)	1.66

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2024

	Note	As at	
		30 June 2024 HK\$'000	31 December 2023 HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment		1,193	1,411
Right-of-use assets		3,117	4,052
Investment properties		17,200	17,200
Goodwill		18,302	18,302
Intangible asset		20,000	20,000
Loans and interest receivables	9	8,100	13,463
		<b>67,912</b>	74,428
<b>Current assets</b>			
Loans and interest receivables	9	61,807	55,320
Accounts receivable	10	129,723	137,339
Prepayments and deposits paid		1,473	1,683
Financial assets at fair value through profit or loss		49,543	44,958
Bank balances – trust accounts		55,309	54,522
Bank balances and cash – general accounts and cash		79,578	105,428
Tax recoverable		4,419	326
		<b>381,852</b>	399,576
<b>Current liabilities</b>			
Accounts payable	11	58,784	61,034
Other payables and accruals		816	1,219
Lease liabilities		1,903	1,851
Borrowings		-	1,485
Income tax payable		6,695	6,429
		<b>68,198</b>	72,018
		<b>313,654</b>	327,558
		<b>381,566</b>	401,986

	Note	As at	
		30 June 2024 HK\$'000	31 December 2023 HK\$'000
<b>Non-current liabilities</b>			
Lease liabilities		1,085	2,138
Deferred tax liabilities		3,357	3,357
Retirement benefit obligations		309	309
		<b>4,751</b>	5,804
<b>NET ASSETS</b>		<b>376,815</b>	396,182
<b>Capital and reserves</b>			
Share capital	12	83,501	83,501
Reserves		289,412	307,964
<b>Equity attributable to owners of the Company</b>		<b>372,913</b>	391,465
Non-controlling interests		3,902	4,717
<b>TOTAL EQUITY</b>		<b>376,815</b>	396,182

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 30 June 2024

	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 2023	83,501	679,147	(383,644)	379,004	8,001	387,005
Profit and total comprehensive income for the period	-	-	6,911	6,911	731	7,642
At 30 June 2023	83,501	679,147	(376,733)	385,915	8,732	394,647
At 1 January 2024	<b>83,501</b>	<b>679,147</b>	<b>(371,183)</b>	<b>391,465</b>	<b>4,717</b>	<b>396,182</b>
Loss and total comprehensive expense for the period	-	-	(18,552)	(18,552)	(815)	(19,367)
At 30 June 2024	<b>83,501</b>	<b>679,147</b>	<b>(389,735)</b>	<b>372,913</b>	<b>3,902</b>	<b>376,815</b>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six months ended 30 June 2024

	For the six months ended 30 June	
	2024 HK\$'000	2023 HK\$'000
Net cash used in operating activities	<b>(24,106)</b>	(51,496)
Net cash generated from investing activities	<b>973</b>	1,060
Net cash used in financing activities	<b>(2,717)</b>	(5,005)
Net decrease in cash and cash equivalents	<b>(25,850)</b>	(55,441)
Cash and cash equivalents at beginning of the period	<b>105,428</b>	161,178
Cash and cash equivalents at end of the period	<b>79,578</b>	105,737
Analysis of cash and cash equivalents at end of the period: Bank balances and cash – general accounts and cash	<b>79,578</b>	105,737



# NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 1. GENERAL

KOALA Financial Group Limited is a public limited company incorporated in the Cayman Islands and its shares are listed on GEM of the Stock Exchange. The Company has its registered office and principal place of business at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-111, Cayman Islands and Units 01-02, 13th Floor, Everbright Centre, 108 Gloucester Road, Wanchai, Hong Kong respectively.

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

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

The condensed consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Company and all values are rounded to nearest thousands of Hong Kong dollars ("HK\$'000") except when otherwise indicated.

## 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 2023.

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, certain 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		For the six months	
	ended 30 June		ended 30 June	
	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Securities investments	-	-	(7,351)	542
Provision of financial services	6,920	9,844	(14,792)	9,327
Leasing of investment properties	252	252	218	207
Money lending business	3,996	3,486	2,563	3,385
Provision of assets management services	-	-	(360)	(121)
	<b>11,168</b>	13,582	<b>(19,722)</b>	13,340

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current period (2023: Nil).

	For the six months	
	ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Segment (loss)/profit reported above	(19,722)	13,340
Interest income from bank deposits	961	1,050
Corporate and other unallocated expenses – net	(4,303)	(5,310)
Finance costs	(130)	(281)
(Loss)/profit before tax	(23,194)	8,799
Income tax credit/(expense)	3,827	(1,157)
(Loss)/profit for the period	<b>(19,367)</b>	7,642

## Segment assets and liabilities

	As at	
	30 June 2024 HK\$'000	31 December 2023 HK\$'000
<b>Segment assets</b>		
Securities investments	49,544	44,958
Provision of financial services	235,696	252,062
Leasing of investment properties	17,365	17,425
Money lending business	76,862	77,107
Provision of assets management services	592	697
Total segment assets	380,059	392,249
Corporate and other unallocated assets	69,705	81,755
Total assets	449,764	474,004
<b>Segment liabilities</b>		
Securities investments	-	-
Provision of financial services	59,071	61,094
Leasing of investment properties	-	-
Money lending business	-	-
Provision of assets management services	-	-
Total segment liabilities	59,071	61,094
Corporate and other unallocated liabilities	13,878	16,728
Total liabilities	72,949	77,822

## 4. FINANCE COSTS

	For the six months ended 30 June	
	2024 HK\$'000	2023 HK\$'000
Interest on:		
- Lease liabilities	98	96
- Borrowing	32	68
- Corporate bonds payable	-	117
	<b>130</b>	<b>281</b>

## 5. (LOSS)/PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2024 HK\$'000	2023 HK\$'000
Depreciation of property, plant and equipment	218	163
Depreciation of right-of-use assets	935	1,243
Write-off of:		
- Loans and interest receivables	1,094	-
- Accounts receivable	19,754	-

## 6. INCOME TAX (CREDIT)/EXPENSE

	For the six months ended 30 June	
	2024 HK\$'000	2023 HK\$'000
Hong Kong Profits Tax	(3,827)	1,157

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, 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 2023 and 30 June 2024, Hong Kong profits tax is calculated in accordance with the two-tiered profits tax rates regime.

## 7. (LOSS)/EARNINGS PER SHARE

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

	For the six months ended 30 June	
	2024 HK\$'000	2023 HK\$'000
<b>(Loss)/profit:</b> (Loss)/profit for the purpose of calculating basic (loss)/earnings per share	(18,552)	6,911
	<b>Number of shares '000</b>	Number of shares '000
<b>Number of shares:</b> Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earnings per share	417,504	417,504

Diluted (loss)/earnings per share for both of the six months ended 30 June 2023 and 2024 were the same as basic (loss)/earnings 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 2024 (2023: Nil).

## 9. LOANS AND INTEREST RECEIVABLES

Details of the loans and interest receivables as at 30 June 2024 and 31 December 2023 are as follows:

	As at	
	30 June 2024 HK\$'000	31 December 2023 HK\$'000
Secured loans by listed equity securities	16,124	18,512
Personal guaranteed loans	13,852	14,809
Unsecured loans	45,405	39,842
	75,381	73,163
Less: Loss allowance	(4,380)	(4,380)
Less: Write-off	(1,094)	-
	69,907	68,783
Less: current portion included under current assets	(61,807)	(55,320)
Amounts due after 1 year included under non-current assets	8,100	13,463



## 10. ACCOUNTS RECEIVABLE

	As at	
	30 June 2024 HK\$'000	31 December 2023 HK\$'000
Accounts receivable from – clearing house, brokers and cash clients	59,884	35,597
– margin clients	89,593	101,742
Less: Write-off	149,477 (19,754)	137,339 –
	129,723	137,339

### 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 2024 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*

All the accounts receivable from margin clients are neither past due nor impaired. During the period, amounting to approximately HK\$19.8 million were written off due to the bankruptcy of a margin client.

## 11. ACCOUNTS PAYABLE

	As at	
	30 June 2024 HK\$'000	31 December 2023 HK\$'000
Accounts payable from clearing house, brokers and cash clients	58,784	61,034

### 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 2024 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.

## 12. SHARE CAPITAL

	Number of shares '000	Amount HK\$'000
<b>Authorised:</b>		
At 31 December 2023, 1 January 2024 and 30 June 2024	<b>1,000,000</b>	<b>200,000</b>
<b>Issued and fully paid:</b>		
At 31 December 2023, 1 January 2024 and 30 June 2024	<b>417,504</b>	<b>83,501</b>

## 13. CAPITAL COMMITMENTS

As at 31 December 2023 and 30 June 2024, the Group did not have any significant capital commitments.

## 14. RELATED PARTY TRANSACTIONS

For the six months ended 30 June 2024, 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 is authorised 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.



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

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

Founded in 2015, KOALA Securities has become 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 2023 and 2024 are as follows:

	2024 HK\$'000	2023 HK\$'000
Revenue from brokerage services	608	481
Revenue from margin financing	6,210	8,495
Revenue from placing and underwriting	102	868
	<b>6,920</b>	<b>9,844</b>

With a view to further improving the revenue from the brokerage and margin financing services, 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\$6.9 million, representing a decrease as compared to approximately HK\$9.8 million in the corresponding period of 2023. It accounted for approximately 62.0% (2023: 72.5%) of the Group's revenue during the period.

During the period, accounts receivable amounting to approximately HK\$19.8 million were written off due to the bankruptcy of a margin client.

## 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).



[www.hsfm.hk](http://www.hsfm.hk)

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 2023 and 2024 are as follows:

	2024	2023
<b>Personal loans</b>		
Number of personal loans (per person)	20	17
Outstanding principal of personal loans (millions)	42.0	41.4
Range of interest rates (per annum)	3.5% - 36%	3.5% - 36%
<b>Corporate loans</b>		
Number of corporate loans (per company)	12	11
Outstanding principal of corporate loans (millions)	29.2	31.5
Range of interest rates (per annum)	8.0% - 24%	7.0% - 24%

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.

During the period, the Group recorded loan interest income of approximately HK\$4.0 million (2023: HK\$3.5 million) from granting loans to both corporate and individual clients. It accounted for approximately 35.8% (2023: 25.7%) of the Group's revenue during the period. The loans and interest receivable as at 30 June 2024 was HK\$69.9 million (2023: HK\$71.6 million). During the period, an amount of approximately HK\$1.1 million was written off due to the irrecoverable debt.

## 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 2024, the Group managed a portfolio of listed equity investment with fair value of approximately HK\$49.5 million (2023: HK\$52.6 million) which are classified as held-for-trading investments. During the period, the Group recorded a loss on fair value change of listed equity investments of approximately HK\$4.2 million (2023: gain of HK\$0.5 million) and a realised loss of approximately HK\$3.2 million (2023: gain of HK\$17,000).

## 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 (2023: HK\$0.3 million). It accounted for approximately 2.3% (2023: 1.9%) of the Group's revenue during the period.

## FINANCIAL REVIEW

For the six months ended 30 June 2024, the Group's revenue decreased to approximately HK\$11.2 million (2023: HK\$13.6 million), representing a decrease of approximately 17.8% when compared with 2023. The decrease in revenue was primarily attributed to the decrease of interest income from the margin financing business.

For the six months ended 30 June 2024, the Group recorded a realised loss on sale of listed securities of approximately HK\$3.2 million as compared to the realised gain of approximately HK\$17,000 for the same corresponding period in 2023.

For the six months ended 30 June 2024, the Group recorded a fair value loss on listed securities of approximately HK\$4.2 million as compared to the gain of approximately HK\$0.5 million for the same corresponding period in 2023.

When the Group identifies a borrower's bankruptcy, the associated receivables are entirely written off. For the six months ended 30 June 2024, approximately HK\$1.1 million in loans and interest receivable, and HK\$19.8 million in accounts receivable from the same borrower were written off due to the bankruptcy.

Due to the above reasons, the Group recorded a net loss of approximately HK\$19.4 million for the six months ended 30 June 2024, representing a decrease as compared with a net profit of approximately HK\$7.6 million for the same period of 2023.



## 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 2024, 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 2024, the Group had cash and bank balances of approximately HK\$79.6 million (31 December 2023: HK\$105.4 million).

As at 30 June 2024, the Group's total indebtedness comprised of other borrowing of HK\$Nil (31 December 2023: HK\$1.5 million) and lease liabilities of HK\$3.0 million (31 December 2023: HK\$4.0 million).

As at 30 June 2024, the Group's outstanding number of issued shares of HK\$0.2 each was 417,503,991 shares (31 December 2023: 417,503,991 shares).


The Group's gearing ratio, as a percentage of total indebtedness over total indebtedness and total equity, as at 30 June 2024 was 0.8% (31 December 2023: 1.4%).

## MATERIAL ACQUISITIONS AND DISPOSALS

For the six months ended 30 June 2024, 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 2024, the Group had about 21 (2023: 18) employees. The Group's staff costs, including directors' emoluments, employees' salaries and retirement benefits scheme contribution amounted to approximately HK\$3.3 million (2023: 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 2023 and 30 June 2024, the Group did not have any substantial pledge of assets.

## **CONTINGENT LIABILITIES**

As at 31 December 2023 and 30 June 2024, 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 2024.

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

As at 30 June 2024, 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 2024.

## SHARE OPTIONS

The Group did not have share option scheme as at 31 December 2023 and 30 June 2024.

## 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 2024.

## 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 2024.

## CHANGE IN INFORMATION OF DIRECTORS

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, the changes in information of Directors subsequent to the date of the 2023 annual report of the Company are set out below:

Mr. Luk Kin Ting has retired as the independent non-executive director of the Company and the member of audit committee of the Company at the conclusion of the annual general meeting of the Company held on 13 June 2024.

Save for the information above, 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 2023 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 2024 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.

## NON-COMPLIANCE WITH THE GEM LISTING RULES

Following the retirement of Mr. Luk Kin Ting, the Board comprises two executive Directors, one non-executive Director and two independent non-executive Directors, and hence the number of independent non-executive Directors and the members of the audit committee of the Company has fallen below the minimum number of three members required under Rules 5.05(1) and 5.28 of the GEM Listing Rules.

The Board is in the process of identifying a suitable candidate to fill the vacancy of the independent non-executive Director and the member of the audit committee of the Company as soon as practicable and, in any event, within three months from 13 June 2024 pursuant to Rules 5.06 and 5.33 of the GEM Listing Rules.

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

Hong Kong, 16 August 2024

*As at the date of this report, the Board comprises five 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 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".*