

TARGET

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**KOALA FINANCIAL GROUP LTD:
IT IS NEVER A GOOD IDEA
TO PUT TOO MANY EGGS IN ONE BASKET**

**Some People Seem To Have Trouble In
Learning The Lessons Of Yesteryear**

Management of KOALA Financial Group Ltd (樹熊金融集團有限公司) (Code: 8226, The Growth Enterprise Market [the GEM], The Stock Exchange of Hongkong Ltd) is seeking to obtain approval from its shareholders for the disposal of 3,215,000 shares in the Issued and Fully Paid-Up Share Capital of Hongkong Aerospace Technology Group Ltd (香港航天科技集團有限公司) (Code: 1725, Main Board, The Stock Exchange of Hongkong Ltd).

On Monday, March 7, 2022, Ms Kwan Kar Ching (關加晴), dubbed the Chairlady of KOALA Financial Group Ltd, caused to have published a 12-Page announcement, headlined: **‘POSSIBLE VERY SUBSTANTIAL DISPOSAL MANDATE FOR DISPOSAL(S) OF LISTED SECURITIES.’**

KOALA Financial Group Ltd presently owns 3,215,000 Shares in the Issued and Fully Paid-Up Share Capital of Hongkong Aerospace Technology Group Ltd (香港航天科技集團有限公司), representing approximately 1.04 percent of the entire Issued and Fully Paid-Up Share Capital of this company.

The implications of Management’s intent with regard to the disposal of its interest in Hongkong Aerospace Technology Group Ltd were given at Page One of the March 7, 2022, Announcement as follows:

‘GEM LISTING RULES IMPLICATIONS

‘As the Directors will seek to dispose of the Aerospace Technology Shares at the highest price possible at the relevant circumstances, one or more applicable percentage ratios of the Disposal(s) may exceed 75% and the Disposal(s) may constitute very substantial disposal on the part of the Company, and is subject to the reporting, announcement requirements and Shareholders’ approval requirements under Chapter 19 of the GEM Listing Rules. On this basis, the Company proposes to comply with the

requirements applicable for the highest transaction classification of a very substantial disposal under Chapter 19 of the GEM Listing Rules.

‘GENERAL

‘The Company will seek the approval of the Shareholders at the EGM (Extraordinary General Meeting) for the Disposal Mandate and the Disposal(s) to allow the Company to dispose of up to 3,215,000 Aerospace Technology Shares held by the Group during the Mandate Period.

‘A circular, containing further details of the Disposal Mandate and the Disposal(s) and other information as required under the GEM Listing Rules, is expected to be despatched to the Shareholders on or before 29 April 2022 as the Board expects that additional time will be required for preparing the information to be contained in the circular.

‘There is no assurance that the Company will proceed with the Disposal(s) after obtaining the Disposal Mandate. Whether and when the Company will proceed with the Disposal(s) or not will depend on a number of factors including without limitation the prevailing market sentiments and market conditions at the proposed time of executing the Disposal(s). The Shareholders and other public investors of the Company are therefore advised to exercise extreme caution when dealing in the Shares.’

At Page Two of the March 7, 2022, Announcement, it was stated that the ‘Disposal Mandate’ shall be for a period 12 months ‘from the date of passing of the relevant ordinary resolution at the EGM.’

The manner of the share disposals shall be conducted at the Open Market of The Stock Exchange of Hongkong Ltd to the benefit of Independent Third Parties through the existing trading system and/or through off-market via block trade(s) ‘by entering into placing agreement(s) ...’.

The minimum selling price of the shares in the Issued Share Capital of Hongkong Aerospace Technology Group Ltd shall not be less than \$HK11.15 per share, one was informed at Page Three of the March 7, 2022, Announcement.

At Page Six of the March 7, 2022, Announcement, shareholders of KOALA Financial Group Ltd were given information in respect of Hongkong Aerospace Technology Group Ltd as follows:

‘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). According to the interim report for the six months ended 30 June 2021 of Aerospace Technology, 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) smart city with satellite big data applications and solutions; (b) satellite measurement and controlling; (c) satellite manufacturing; and (d) satellite launching.

‘Set out below is the audited consolidated financial information of Aerospace Technology for the year ended 31 December 2019 and 2020 extracted from the annual report for the year ended 31 December 2020 of Aerospace Technology:

	<i>For The Year Ended 31 December</i>	
	<i>2020</i>	<i>2019</i>
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(audited)</i>	<i>(audited)</i>
<i>Revenue</i>	<i>547,825</i>	<i>546,325</i>
<i>Profit Before Taxation</i>	<i>20,327</i>	<i>29,187</i>
<i>Profit For The Year</i>	<u><i>17,323</i></u>	<u><i>25,457</i></u>

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