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)

UPDATE ON THE USE OF PROCEEDS FROM THE OPEN OFFER

Reference is made to the announcement of KOALA Financial Group Limited (the "**Company**") dated 23 December 2016 (the "**Announcement**") in relation to the issue by way of open offer on the basis of one (1) Offer Share for every two (2) Shares in issue (the "**Open Offer**"). Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless the context otherwise requires.

The Board would like to provide additional information to the annual report for the year ended 31 December 2018 published by the Company on 29 March 2019. The net proceeds from the Open Offer were approximately HK$109.2 million (the "**Proceeds**"). The breakdown of the Company's actual use of the Proceeds as at 31 December 2018 was as follows:

Intended use of the Proceeds as disclosed in the Announcement	**Actual use of the Proceeds**
Approximately HK$70.0 million for the development of securities business	1) Approximately HK$38.2 million was applied as capital investment in a subsidiary of the Group, KOALA Securities Limited ("**KOALA Securities**"), providing securities placing and brokerage services; and 2) Approximately HK$31.8 million will be applied for the expansion of the securities margin financing activities. As the activities are at the start-up stage, the Proceed will be delayed until KOALA Securities have enough financing needs from its customers. The Board expects that the Proceed could be applied on or before December 2019.

Intended use of the Proceeds as disclosed in the Announcement	**Actual use of the Proceeds**
Approximately HK$20.0 million for the development of money lending business	1) Applied as intended.
Approximately HK$19.2 million for general working capital of the Group and/or investment opportunities as may be identified from time to time	1) Applied as intended.

It is confirmed that there is no change in the use of Proceeds. The Directors are of the view that the actual use of the Proceeds is in the interest of the Company and the Shareholders as a whole.

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

Hong Kong, 6 September 2019

As at the date of this announcement, the Board comprises five Directors namely Mr. Kwan Kar Ching and Ms. Hsin Yi-Chin, being the executive Directors and Mr. Hung Cho Sing, Mr. Luk Kin Ting and Ms. Ng Yau Kuen, Carmen, 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 GEM website at "www.hkgem.com" on the "Latest Company Announcements" page for at least 7 days from the date of its posting and on the website of the Company at "www.koala8226.com.hk".