

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information purposes only and does not constitute an invitation or offer to sell, dispose, acquire, purchase or subscribe for any securities of the Company.



Almana Limited

曼纳有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 0.8.1.8.6)

**PROPOSED RIGHTS ISSUE ON THE BASIS OF
THREE RIGHTS SHARES FOR EVERY
ONE SHARE HELD ON THE RECORD DATE**

PROPOSED RIGHTS ISSUE

The Company proposes to raise up to HK\$18.7 million before expenses by way of a rights issue of 85,401,480 Rights Shares at the Subscription Price of HK\$0.22 each and on the basis of three Rights Shares for one Share held by the Qualifying Shareholders on the Record Date (assuming no further change in the number of issued Shares on or before the Record Date). The estimated net proceeds of the Rights Issue, if fully subscribed, will be HK\$17.5 million. Subject to fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares and will not be extended to the Excluded Shareholders. There will be no excess application arrangement in relation to the Rights Issue.

PLACING AGREEMENT

According to Rule 10.31(1)(b) of the GEM Listing Rules, the Company will make the Compensatory Arrangements to dispose of the Placing Shares by offering these Shares to independent Placers for the benefit of the Shareholders to whom they are offered by way of the Rights Issue. Accordingly, on 11 August 2023 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent to place the Placing Shares to independent Placers on a best effort basis.

UNDERTAKING

As at the date of this announcement, Perfect Advance and Ms. Chan are interested in 8,476,364 Shares and 676,127 Shares respectively (representing 29.8% and 2.4% of the issued Shares respectively). Each of Perfect Advance and Ms. Chan has irrevocably undertaken to the Company that:

- (a) it/she will not sell, transfer or otherwise dispose of the Shares held during the period up to the Rights Issue having become unconditional or the date on which the Company announces that the Rights Issue will not proceed, whichever is earlier (both dates inclusive); and
- (b) it/she will accept and subscribe in full for all the Rights Shares in which it/she beneficially entitles under the Rights Issue on and subject to the terms and conditions of the Rights Issue provided that in the case of Perfect Advance, the total number of the Rights Shares to be subscribed by it under the Rights Issue will be scaled down to the extent that it and its associates will not trigger a general offer obligation under the Takeovers Code in accordance with Rule 10.26(2) of the GEM Listing Rules.

GEM LISTING RULES IMPLICATIONS

As the Rights Issue will increase the number of the issued Shares by more than 50%, in accordance with Rule 10.29(1) of the GEM Listing Rules, the Rights Issue must be made conditional on approval by Independent Shareholders in a general meeting by a resolution on which all controlling Shareholders and their associates or, where there is no controlling Shareholder, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the Rights Issue. As at the date of this announcement, the Company has no controlling Shareholder and Ms. Chan is interested in 676,127 Shares. Accordingly, Ms. Chan is required to abstain from voting in favour of the proposed resolution to approve the Rights Issue at the SGM.

The Rights Issue (whether on its own or when aggregated with the Share Allotments) does not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 10.44A of the GEM Listing Rules.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable and in the interest of the Company and the Shareholders as a whole and to advise the Independent Shareholders on how to vote at the SGM. In this connection, the Company will appoint an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable.

GENERAL

The SGM will be convened for the Shareholders to consider and, if thought fit, approve the Rights Issue. A circular containing, among other things, (i) further details of the Rights Issue; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders on the Rights Issue; and (iv) a notice convening the SGM, is expected to be despatched to the Shareholders on or before 5 September 2023.

Subject to approval of the Rights Issue by the Independent Shareholders at the SGM, the Prospectus Documents containing further information regarding the Rights Issue are expected to be despatched to the Qualifying Shareholders on 5 October 2023.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND NIL-PAID RIGHTS SHARES

Shareholders and potential investors of the Company should note that the Rights Issue is subject to fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Dealings in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled and dealings in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Shareholders or other persons contemplating any dealing in the Shares or Rights Shares in their nil-paid form are recommended to consult their professional advisers.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares.

PROPOSED RIGHTS ISSUE

Details of the proposed Rights Issue are summarised below:

Issue statistics

Assuming no further change in the number of issued Shares on or before the Record Date:

Basis of Rights Issue	:	Three Rights Shares for every one Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK\$0.22 per Rights Share
Number of Shares in issue as at the date of this announcement	:	28,467,160 Shares

Number of Rights Shares to be issued pursuant to the Rights Issue	:	Up to 85,401,480 Rights Shares
Aggregate nominal value of the Rights Shares	:	Up to HK\$6,832,118
Number of Shares in issue immediately upon completion of the Rights Issue	:	Up to 113,868,640 Shares
Maximum funds raised before expenses	:	Up to HK\$18.7 million

As at the date of this announcement, the Group had no outstanding debt securities, derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into the Shares. The 85,401,480 Rights Shares to be issued under the Rights Issue represent (i) 300% of the total number of issued Shares as at the date of this announcement; and (ii) 75% of the total number of issued Shares as enlarged by the allotment and issue of the Rights Shares.

Non-underwritten basis

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event that the Rights Issue is not fully subscribed, the Rights Shares not taken up by the Qualifying Shareholders will be placed to independent Placees under the Compensatory Arrangements. The Placing Shares which remain not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue. There is also no statutory requirement regarding minimum subscription level in respect of the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, Shareholders who apply to take up all or part of their entitlements under the PALs may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 10.26(2) of the GEM Listing Rules.

Undertaking

As at the date of this announcement, Perfect Advance Holdings Limited (“Perfect Advance”) and Ms. Chan Ho Yee (“Ms. Chan”), an executive Director, are interested in 8,476,364 Shares and 676,127 Shares respectively (representing 29.8% and 2.4% of the issued Shares respectively). Each of Perfect Advance and Ms. Chan has irrevocably undertaken to the Company that:

- (a) it/she will not sell, transfer or otherwise dispose of the Shares held during the period up to the Rights Issue having become unconditional or the date on which the Company announces that the Rights Issue will not proceed, whichever is earlier (both dates inclusive); and
- (b) it/she will accept and subscribe in full for all the Rights in which it/she is beneficially entitled under the Rights Issue on and subject to the terms and conditions of the Rights Issue provided that in the case of Perfect Advance, the total number of the Rights Shares to be subscribed by it under the Rights Issue will be scaled down to the extent that it and its associates will not trigger a general offer obligation under the Takeovers Code in accordance with Rule 10.26(2) of the GEM Listing Rules.

Save for the above irrevocable undertakings, the Company has not received, as at the date of this announcement, any other information or irrevocable undertaking from other Shareholders of their intention to take up the Rights Shares to be provisionally allotted to them under the Rights Issue.

Subscription Price

The Subscription Price of HK\$0.22 per Rights Share is payable in full when the Qualifying Shareholders accept the relevant provisional allotment of Rights Shares or when transferees of nil-paid Rights Shares accept the provisional allotment of the relevant Rights Shares. Assuming that all the Rights Shares are fully subscribed, the net price per Rights Share is estimated to be HK\$0.2.

The Subscription Price represents:

- (i) a discount of 26.7% to the closing price of HK\$0.30 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of 29.0% to the average closing price of HK\$0.31 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of 8.3% to the theoretical ex-rights price of HK\$0.24 per Share based on the closing price of HK\$0.30 per Share as quoted on the Stock Exchange on the Last Trading Day;

- (iv) a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) of 22.6% represented by the theoretical diluted price of HK\$0.24 per Share to the benchmarked price (as defined under Rule 10.44A of the GEM Listing Rules) of HK\$0.31 per Share;
- (v) a cumulative theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) in aggregation with the Share Allotments of 7.9% represented by the cumulative theoretical diluted price of HK\$0.175 per Share to the benchmarked price (as defined under Rule 10.44A of the GEM Listing Rules) of HK\$0.19 per Share; and
- (vi) a premium of 22.2% over the unaudited net asset value per Share of HK\$0.18 (based on the unaudited consolidated net asset value of the Group of HK\$5.1 million as at 30 June 2023 and 28,467,160 Shares in issue as at the date of this announcement).

The Subscription Price was determined with reference to (i) the market price of the Shares under the prevailing market conditions; (ii) the prevailing market conditions of the capital market in Hong Kong; (iii) the latest business performance and financial position of the Group; and (iv) the reasons for and benefits of the Rights Issue as discussed in the section headed “Reasons for and benefits of the Rights Issue and use of proceeds” in this announcement.

The Board (excluding the members of the Independent Board Committee whose opinion will be rendered after considering the advice from the independent financial adviser) considers that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Basis of provisional allotment

The basis of the provisional allotment shall be three Rights Shares for every one Share held by the Qualifying Shareholders as at the close of business on the Record Date. The PAL relating to the Rights Shares will be enclosed with the Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Rights Shares. Application for all or any part of a Qualifying Shareholder’s provisional allotment should be made by completing a PAL and lodging the same with a remittance for the Rights Shares being applied for with the Share Registrar on or before the Latest Time for Acceptance.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company and not be an Excluded Shareholder on the Record Date. In order to be registered as a member of the Company on the Record Date, Shareholders must lodge the relevant documents for transfer of Shares (with the relevant share certificates) with the Share Registrar at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by 4:30 p.m. on Tuesday, 26 September 2023.

Shareholders with their Shares held by a nominee (or held in CCASS) should note that the Board will consider the nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company. For Shareholders whose Shares are held by a nominee (or held in CCASS) and would like to have their names registered on the register of members of the Company, they must lodge all necessary documents with the Share Registrar for registration no later than 4:30 p.m. on Tuesday, 26 September 2023.

The last day of dealings in the Shares on a cum-rights basis is Friday, 22 September 2023. The Shares will be dealt with on an ex-rights basis from Monday, 25 September 2023. If a Qualifying Shareholder does not take up his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

Rights of Overseas Shareholders

The Prospectus Documents will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholders may not be eligible to take part in the Rights Issue. Overseas Shareholders should note that they may or may not be entitled to the Rights Issue. Accordingly, Overseas Shareholders should exercise caution when dealing in the securities of the Company.

Pursuant to Rule 17.41(1) of the GEM Listing Rules, the Company will make enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders under the laws of the relevant overseas jurisdictions and the requirements of the relevant regulatory bodies or stock exchanges. If it is in the opinion of the Board that it would be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place to exclude such Overseas Shareholders from the Rights Issue, no Rights Share (whether in nil paid or fully-paid form) will be offered to such Overseas Shareholders. The basis for excluding the Excluded Shareholders from the Rights Issue will be set out in the Prospectus. The Company will send the Prospectus to the Excluded Shareholders for their information only but will not send any PAL to them. The Company reserves the right to treat as invalid any acceptance of or application for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Excluded Shareholders should exercise caution when dealing in the Shares.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders in their nil-paid form to be sold in the market as soon as practicable after dealings in the nil-paid Rights Shares commence and in any event before the last day for dealings in nil-paid Rights Shares if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses and stamp duty, will be paid pro-rata (rounded down to the nearest cent) to the relevant Excluded Shareholders in Hong Kong dollars. In view of the administrative costs, the Company will retain individual amounts of less than HK\$100 for its own benefit.

All ES Unsold Rights Shares, which would otherwise have been provisionally allotted to the Excluded Shareholders in nil-paid form, will be placed by the Placing Agent at the price at least equal to the Subscription Price under the Placing. For the nil-paid Rights Shares that are sold as described above but the buyers of such nil-paid Rights Shares do not take up the entitlement, such Unsubscribed Rights Shares will be subject to the Compensatory Arrangements. Any ES Unsold Rights Shares and Unsubscribed Rights Shares which are not placed under the Placing will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully paid, will rank pari passu in all respects among themselves and with the Shares in issue at the time. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid by the Company after the date of allotment and issue of the Rights Shares.

Fractional entitlement to the Rights Shares

On the basis of provisional allotment of three Rights Shares for every one Share held by the Qualifying Shareholders on the Record Date, no fractional entitlement to the Rights Shares will arise under the Rights Issue.

Compensatory Arrangements

The Company will make arrangements described in Rule 10.31(1)(b) of the GEM Listing Rule to dispose of the Placing Shares by offering the Placing Shares to independent Placees for benefit of the Shareholders to whom they are offered by way of the Rights Issue. There will be no excess application arrangement in relation to the Rights Issue.

The Company has appointed the Placing Agent to place the Placing Shares after the Latest Time for Acceptance of the Rights Shares to independent Placees on a best effort basis. The Placing Agent will, on a best effort basis, procure, by not later than 6:00 p.m., on Wednesday, 1 November 2023, acquirers for all (or as many as possible) of those Placing Shares. Any premium over the Subscription Price and the expenses of procuring such acquirers (including commission and other related expenses/fees) that is realised will be paid to the No Action Shareholders and Excluded Shareholders on a pro-rata basis. All Placing Shares which are not placed under the Placing will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Net Gain (if any) will be paid (without interest) on pro-rata basis (on the basis of all Placing Shares) to the No Action Shareholders and the Excluded Shareholders (but rounded down to the nearest cent) as set out below:

- (i) where the nil-paid rights are, at the time they lapse, represented by a PAL, to the person whose name and address appeared on the PAL (unless that person is covered by (iii) below);

- (ii) where the nil-paid rights are, at the time they lapse, registered in the name of HKSCC Nominees Limited, to the beneficial holders (via their respective CCASS participants) as the holders of those nil-paid rights in CCASS (unless that they are covered by (iii) below);
- (iii) if the Rights Issue is extended to the Overseas Shareholders and where entitlements to the Rights Shares were not taken up by such Overseas Shareholders, to those Overseas Shareholders.

It is proposed that Net Gain of HK\$100 or more to the individual No Action Shareholder mentioned in (i) to (iii) above will be paid to them in Hong Kong Dollars only and the Company will retain individual amount of less than HK\$100 for its own benefit. Shareholders are reminded that Net Gain may or may not be realised and, accordingly, the No Action Shareholders and the Excluded Shareholders may or may not receive any Net Gain.

PLACING AGREEMENT

On 11 August 2023 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed as agent of the Company (either by itself or through its sub-placing agents) to procure independent Placers, on a best effort basis, to subscribe for the Placing Shares. Details of the Placing are as follows:

- Date : 11 August 2023
- Parties : (i) the Company, as issuer; and
(ii) the Placing Agent
- Placing Agent : Space Securities Limited, appointed as the Placing Agent to place the Placing Shares on a best effort basis. The Placing Agent has confirmed that it is an Independent Third Party.
- Fees and expenses : 1% of the amount which is equal to the placing price multiplied by the Placing Shares that are successfully placed by the Placing Agent pursuant to the terms of the Placing Agreement and reimbursed for the expenses in relation to the Placing, which the Placing Agent is authorised to deduct from the payment to be made by the Placing Agent to the Company at completion.
- Placing price of the Placing Shares : The placing price of the Placing Shares shall be at least equal to the Subscription Price. The final price is dependent on the demand and market conditions of the Placing Shares during the process of placement.

- Placees : The individuals, corporate, institutional investors or other investors procured by the Placing Agent and/or its sub-placing agents to subscribe for the Placing Shares.
- Ranking of the Placing Shares : The Placing Shares (when placed, allotted, issued and fully paid) shall rank *pari passu* in all respects among themselves and with the Shares then in issue.
- Termination : The Placing Arrangement shall end on Wednesday, 1 November 2023 or any other date by mutual written agreement between the Placing Agent and the Company.

The engagement of the Placing Agent may be terminated by the Placing Agent in case of force majeure resulting in the Company and the Placing Agent being unable to fulfill their respective duties and responsibilities under the engagement. However, if during the course of the engagement it has come to the Placing Agent's knowledge that there is any material adverse change in the business and operational environment in the Company which, in the sole opinion of the Placing Agent, may make it inadvisable to continue the engagement, the Placing Agent shall have the right to terminate the engagement by written notice to the Company with immediate effect.

Conditions precedent : The obligations of the Placing Agent and the Company under the Placing Agreement are conditional upon, among others, the following conditions being fulfilled (or being waived by the Placing Agent in writing, if applicable):

- (i) the passing by the Independent Shareholders at the SGM of the necessary resolution to approve the Rights Issue;
- (ii) the GEM Listing Committee granting the approval for the listing of, and the permission to deal in, the Rights Shares (including the Placing Shares);
- (iii) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the completion, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect if it was repeated as at the time of completion; and

- (iv) the Placing Agreement not having been terminated in accordance with the provisions thereof.

The Placing Agent may, in its absolute discretion, waive the fulfillment of all or any or any part of the above conditions (other than those set out in paragraphs (i) and (ii) above) by notice in writing to the Company.

Completion : Placing completion shall take place on 1 November 2023 or such other date as the Company and the Placing Agent may agree in writing.

The Placing Agent shall ensure that the Placing Shares are placed (i) only to institutional, corporate or individual investors who and whose ultimate beneficial owners shall be Independent Third Parties; (ii) such that no Placee shall become a substantial Shareholder immediately following the Placing; (iii) such that the Placing will not have any implication under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing; and (iv) such that the Placing will not result in the Company incapable of complying with the public float requirements under the GEM Listing Rules immediately following the Placing. The Company will continue to comply with the public float requirements under Rule 11.23(7) of the GEM Listing Rules and the Placing will not have any implication under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing.

The engagement between the Company and the Placing Agent for the placing of the Placing Shares was determined after arm's length negotiations between the Placing Agent and the Company and is on normal commercial terms with reference to the market comparables, the existing financial position of the Group, the size of the Rights Issue, and the market conditions. The Board considers the terms of the Placing for the Placing Shares (including the commission payable) are on normal commercial terms.

Given that the Compensatory Arrangements would provide (i) a distribution channel of the Placing Shares; and (ii) a compensatory mechanism for No Action Shareholders and the Excluded Shareholders, the Board considers that the Compensatory Arrangements are fair and reasonable and would provide adequate safeguard to protect the interest of the Company's minority shareholders.

Application for listing

The Company will apply to the GEM Listing Committee for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue. The nil-paid and fully-paid Rights Shares shall have the same board lot size as the Shares, i.e. 5,000 Shares in one board lot. No part of the share capital of the Company is listed or dealt in or on which listing or permission to deal in is being or is proposed to be sought on any other stock exchange.

Eligibility for admission into CCASS

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Stamp duty and other applicable fees

Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to payment of stamp duty, Stock Exchange trading fee, SFC transaction levy or any other applicable fees and charges in Hong Kong.

Taxation

Qualifying Shareholders are recommended to consult their professional advisers if they are in doubt as to the taxation implications of subscribing for the Rights Shares, or about purchasing, holding or disposal of, or dealing in or exercising any rights in relation to the Shares or the Rights Shares, and similarly, the Excluded Shareholders as regards to their receipt of the net proceeds of sale of the Rights Shares otherwise falling to be issued to them under the Rights Issue under the laws of jurisdictions in which they are liable to taxation. It should be noted that none of the Company, the Directors nor any other parties involved in the Rights Issue accepts responsibility for any tax effects on, or liabilities of, any person resulting from subscribing for, purchasing, holding, disposal of, dealing in or exercising any right in relation to the Shares or the Rights Shares.

Share certificates and refund cheques for the Rights Issue

Subject to fulfilment of the conditions of the Rights Issue, (i) share certificates for all fully-paid Rights Shares and (ii) refund cheques in respect of wholly or partially unsuccessful applications for Rights Shares are expected to be posted to those entitled thereto by ordinary post to their registered address, at their own risks, on or before Friday, 3 November 2023.

Conditions of the Rights Issue

The Rights Issue is conditional upon:

- (i) the passing by the Independent Shareholders at the SGM of the resolution to approve the Rights Issue by no later than the Prospectus Posting Date;

- (ii) the GEM Listing Committee granting or agreeing to grant and not having withdrawn or revoked the listing of, and permission to deal in, all the Rights Shares (in their nil-paid and fully-paid forms);
- (iii) the delivery to the Stock Exchange and the filing and registration with the Companies Registry in Hong Kong respectively one duly certified copy of each of the Prospectus and the PAL (and all other documents required to be attached thereto) in compliance with the Companies (WUMP) Ordinance and the GEM Listing Rules by no later than the Prospectus Posting Date;
- (iv) the posting of the Prospectus Documents to Qualifying Shareholders and the posting of the Prospectus to the Excluded Shareholders for information purpose only by the Prospectus Posting Date; and
- (v) the Placing Agreement not being terminated.

The Company shall use all reasonable endeavours to procure the fulfilment of all the above conditions by the respective dates specified above. As the Rights Issue is subject to the above conditions, it may or may not proceed.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 27 September to Wednesday, 4 October 2023 (both dates inclusive) for the purpose of determining entitlements to the Rights Issue. No transfer of Shares will be registered during the above book closure period.

REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS

The Group is principally engaged in the household, plantation and accessory businesses. Due to (i) the unprecedented disruptive impact and prolonged duration of the COVID-19 pandemic since 2020; (ii) the substantial net liabilities of the Group prior to 2022; and (iii) the winding-up petition filed by a creditor against the Company in 2021, the Company has not been able to conduct fund raising exercise for business development.

In response to the debt crisis resulted from the petition, the Company had made strenuous efforts to pursue a debt restructuring by way of scheme of arrangement which was approved by the requisite statutory majority of the then creditors and was completed in 2022. As a result, the liabilities of the Company had been substantially reduced and the Company was able to restore its financial position to normality. As at 30 June 2023, the Group recorded net assets of HK\$5.1 million. However, despite improvement in its financial position as a result of the scheme, the pace of business development (hence profitability) of the Group's businesses is still hindered by its limited working capital. As at 30 June 2023, the Group's cash and bank balances amounted to HK\$4.1 million whilst total liabilities amounted to HK\$21.9 million (including advance of HK\$9.6 million received from customers). As mentioned in the Company's 2023 interim report, the challenges arising from the continuing Sino-United States conflict, the war in Ukraine, global interest rate hikes and tightening

monetary policies will continue to adversely impact on the business activities worldwide including the Group's business operations. As also mentioned in its annual reports for 2021 and 2022, the Company's experience in 2021 and 2022 has shown that prompt response to changes in business landscape and prudent financial and liquidity management are key factors in withstanding major disruptions and uncertainties. As such, it is vital for the Group to seize opportunities to access to funding to improve the liquidity in its business operations and expand operating scale and production capacity in a timely manner.

It has been the intention of the Group to achieve growth of its principal businesses and enhance shareholders' value through (i) expanding production capacity; and (ii) widening product offerings and extending customer base. The Board considers that the Rights Issue is a good opportunity to enable the Group to establish manufacturing facilities and enhance working capital for business development. Assuming all the Rights Shares are taken up or all Placing Shares are placed to Placees, it is estimated that net proceeds of the Rights Issue (after deducting the related expenses) will amount to HK\$17.5 million, which the Company intends to apply as to (i) HK\$7.5 million for repayment/fulfilment of the advance from customers; (ii) HK\$5 million for acquisition of operating assets (plant and equipment) for the household business; and (iii) the remaining balance of (estimated to be) HK\$5 million for working capital of business operations and general corporate and administrative expenses. In the event that the Rights Issue is undersubscribed and the Placing Shares are not fully placed, the net proceeds will be reduced and utilised on a pro rata basis as set out above.

The Board has considered other alternative means of fund raising, including debt financing, placing and open offer. However, given the Group's lack of collateral acceptable to financial institutions required for debt financing and the high interest rate under the prevailing market condition, debt financing is not a viable means to the Group. As for equity fund raising (such as placing), it will be relatively smaller in scale as compared to fund raising through the Rights Issue, not to mention that placing of shares would lead to dilution in the shareholding interest of existing Shareholders without offering them the opportunity to participate, particularly for those Shareholders who were the white knight and former creditors having supported the scheme of arrangement of the Company and have become the Shareholders through the Share Allotments. As for open offer, although it is similar to a rights issue in offering qualifying shareholders to participate, it does not allow free trading of rights entitlements in the open market.

In view of the above, the Board (excluding the members of the Independent Board Committee whose opinion will be rendered after considering the advice from the independent financial adviser) considers that as compared to raising fund by other means, raising funds by way of the Rights Issue, which will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company, is fair, cost effective, efficient and beneficial to the Company and its shareholders as a whole. In addition, the Rights Issue provides a good opportunity for the Group to improve its liquidity and strengthen its operating capacity, while offering a participating opportunity to all Qualifying Shareholders in the future development of the Company on equal terms to maintain their shareholding in the Company. As such, the Rights Issue is in the interests of the Company and its shareholders as a whole.

SHAREHOLDING STRUCTURES

Set out below is the shareholding structure of the Company, assuming no further change in the number of issued Shares before completion of the Rights Issue other than the allotment and issue of the Rights Shares, (i) as at the date of this announcement; (ii) immediately upon completion of Rights Issue assuming full acceptance of Rights Shares by existing Shareholders; (iii) immediately upon completion of Rights Issue assuming nil acceptance of Rights Shares by Qualifying Shareholders and none of the Placing Shares having been placed by Placing Agent; and (iv) immediately upon completion of Rights Issue assuming nil acceptance of Rights Shares by Qualifying Shareholders and all the Placing Shares having been placed by Placing Agent:

		As at the date of this announcement		Immediately upon completion of Rights Issue assuming full acceptance of Rights Shares by existing Shareholders		Immediately upon completion of Rights Issue assuming nil acceptance of Rights Shares by Qualifying Shareholders and none of the Placing Shares having been placed by Placing Agent		Immediately upon completion of Rights Issue assuming nil acceptance of Rights Shares by Qualifying Shareholders and all the Placing Shares having been placed by Placing Agent	
		Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Perfect Advance	<i>Note 1</i>	8,476,364	29.8%	33,905,456	29.8%	9,391,917	29.9%	33,905,456	29.8%
Ms. Chan		676,127	2.4%	2,704,508	2.4%	2,704,508	8.6%	2,704,508	2.4%
		9,152,491	32.2%	36,609,964	32.2%	12,096,425	38.5%	36,609,964	32.2%
Public Shareholders									
Independent Placees	<i>Note 2</i>	-	-	-	-	-	-	57,944,007	50.9%
Existing Public Shareholders		19,314,669	67.8%	77,258,676	67.8%	19,314,669	61.5%	19,314,669	16.9%
		28,467,160	100.0%	113,868,640	100.0%	31,411,094	100.0%	113,868,640	100.0%

Notes:

1. The total number of Rights Shares to be subscribed by Perfect Advance will be scaled down to the extent that it and its associates will not trigger a general offer obligation under the Takeovers Code as a result of the Rights Issue.
2. As it is not expected that any of the individual Placees will become a substantial Shareholder immediately after completion of the Placing, the Placing Shares will form part of the public float of the Company.

EXPECTED TIMETABLE

Set out below is the expected timetable for the Rights Issue which is indicative only and has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled:

Event	2023
Expected despatch date of circular with notice and form of proxy for the SGM	on or before Tuesday, 5 September
Latest time and date for lodging transfers document in order to qualify for attendance and voting at the SGM.	4:30 p.m. on Wednesday, 13 September
Closure of register of members of the Company for attending the SGM (both days inclusive)	Thursday, 14 September to Thursday, 21 September
Latest time and date for lodging forms of proxy for the SGM	11:30 a.m. on Tuesday, 19 September
Record date for determining attendance and voting at the SGM.	Thursday, 21 September
Expected date and time of the SGM	11:30 a.m. on Thursday, 21 September
Announcement of poll results of the SGM.	Thursday, 21 September
Register of members of the Company re-opens	Friday, 22 September
Last day of dealings in Shares on a cum-rights basis	Friday, 22 September
First day of dealings in Shares on an ex-rights basis	Monday, 25 September
Latest time for the Shareholders to lodge transfer of Shares in order to qualify for the Rights Issue	4:30 p.m. on Tuesday, 26 September
Closure of register of members of the Company for the Rights Issue (both dates inclusive)	Wednesday, 27 September to Wednesday, 4 October
Record Date for determining entitlements to the Rights Issue	Wednesday, 4 October
Register of members of the Company re-opens	Thursday, 5 October

Event**2023**

Despatch of Prospectus Documents	Thursday, 5 October
First day of dealings in nil-paid Rights Shares	Monday, 9 October
Latest time for splitting nil-paid Rights Shares	4:30 p.m. on Wednesday, 11 October
Last day of dealings in nil-paid Rights Shares	Monday, 16 October
Latest time for acceptance of and payment for the Rights Shares	4:00 p.m. on Thursday, 19 October
Announcement of the number of the Placing Shares subject to the Compensatory Arrangements	Tuesday, 24 October
Commencement of placing of the Placing Shares by the Placing Agent	Wednesday, 25 October
Latest time of placing of the Placing Shares by the Placing Agent	6:00 p.m. on Wednesday, 1 November
Latest time for the Rights Issue and placing of the Placing Shares to become unconditional	Wednesday, 1 November
Announcement of results of the Rights Issue (including results of the placing of the Placing Shares and the amount of the Net Gain per Placing Share under the Compensatory Arrangements)	Thursday, 2 November
Refund cheques to be despatched (if the Rights Issue does not proceed)	Friday, 3 November
Certificates for fully-paid Rights Shares to be despatched	Friday, 3 November
Expected commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Monday, 6 November
Payment of Net Gain to relevant No Action Shareholders or Excluded Shareholders	Monday, 20 November

All times and dates in this announcement refer to Hong Kong local times and dates.

Dates or deadlines specified in the expected timetable above or in other parts of this announcement are indicative only and may be extended or varied by the Company. Any change to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

EFFECT OF BAD WEATHER AND/OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES

The latest time for acceptance of and payment for the Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, or “extreme conditions” caused by super typhoons announced by the government of Hong Kong or a “black” rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Thursday, 19 October 2023. Instead the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same business day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Thursday, 19 October 2023. Instead the latest time for acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following business day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on the currently scheduled date, the dates mentioned in the “Expected timetable” above may be affected. An announcement will be made by the Company in such event as soon as practicable.

EQUITY FUNDRAISING ACTIVITIES IN THE PAST 12 MONTHS

During 2022, the Company conducted a debt restructuring by way of scheme of arrangement. Under the scheme of arrangement, the Company, on 22 December 2022, issued (i) 4.4 million new Shares at the issue price of HK\$0.18 per Share for settlement of creditors’ claims; and (ii) 8.5 million new Shares at the issue price of HK\$0.55 per Share for loan capitalisation (both, the “Share Allotments”).

GEM LISTING RULES IMPLICATIONS

As the Rights Issue will increase the number of the issued Shares by more than 50%, in accordance with Rule 10.29(1) of the GEM Listing Rules, the Rights Issue must be made conditional on approval by the Independent Shareholders in a general meeting by a resolution on which all controlling Shareholders and their associates or, where there is no controlling Shareholder, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour

of the Rights Issue. As at the date of this announcement, the Company has no controlling Shareholder and Ms. Chan is beneficially interested in 676,127 Shares. Accordingly, Ms. Chan is required to abstain from voting in favour of the proposed resolution to approve the Rights Issue and the Placing Agreement at the SGM.

The Rights Issue (whether on its own or when aggregated with the Share Allotments) does not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 10.44A of the GEM Listing Rules.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable and in the interest of the Company and the Shareholders as a whole and to advise the Independent Shareholders on how to vote at the SGM. In this connection, the Company will appoint an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable.

GENERAL

The SGM will be convened for the Shareholders to consider and, if thought fit, approve the Rights Issue. A circular containing, among other things, (i) further details of the Rights Issue; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders on the Rights Issue; and (iv) a notice convening the SGM, is expected to be despatched to the Shareholders on or before 5 September 2023.

Subject to the approval of the Rights Issue by the Independent Shareholders at the SGM, the Prospectus Documents containing further information the Rights Issue are expected to be despatched to the Qualifying Shareholders on 5 October 2023.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND NIL-PAID RIGHTS SHARES

Shareholders and potential investors of the Company should note that the Rights Issue is subject to fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Dealings in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled and dealings in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Shareholders or other persons contemplating any dealing in the Shares or Rights Shares in their nil-paid form are recommended to consult their professional advisers.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of Directors
“CCASS”	The Central Clearing and Settlement System established and operated by HKSCC
“Companies (WUMP) Ordinance”	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company”	Almana Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on GEM
“Compensatory Arrangements”	the placing of the Placing Shares by the Placing Agent
“Directors”	the directors of the Company
“ES Unsold Rights Shares”	the Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders in nil-paid form that have not been sold by the Company
“Excluded Shareholders”	those Overseas Shareholders whom the Rights Shares are not offered
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Independent Board Committee”	an independent board committee of the Board which comprises all the independent non-executive Directors and is established to advise the Independent Shareholders in respect of the Rights Issue

“Independent Shareholders”	Shareholders who are not required to abstain from voting at the SGM
“Independent Third Parties”	third parties independent of and not connected with the Company and its connected persons
“Last Trading Day”	11 August 2023, being the last full trading day before the publication of this announcement
“Latest Time for Acceptance”	4:00 p.m. on Thursday, 19 October 2023, being the latest time for acceptance of the offer of and payment for the Rights Shares
“Net Gain”	the premium paid by the Placees over the Subscription Price for the Placing Shares placed by the Placing Agent
“Nil Paid Rights”	rights to subscribe for Rights Shares before the Subscription Price is paid
“No Action Shareholders”	Qualifying Shareholders or their renounees who do not subscribe for the Rights Shares (whether partially or fully) under the PALs or such persons who are the holders of Nil Paid Rights when such Nil Paid Rights lapse
“Overseas Shareholders”	the Shareholders (whose names appear on the register of members of the Company at the close of business on the Record Date) with registered addresses outside Hong Kong
“PALs”	the provisional allotment letters issued to the Qualifying Shareholders
“Placees”	individuals, corporate, institutional investors or other investors, procured by the Placing Agent and/or its sub-placing agents to subscribe for the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of the Placing Shares
“Placing Agent”	Space Securities Limited, a licensed corporation to carry on Type 1 (dealing in securities) regulated activity under the SFO, being the placing agent appointed by the Company to place the Placing Shares under the Compensatory Arrangements

“Placing Agreement”	the placing agreement dated 11 August 2023 entered into between the Company and the Placing Agent in relation to the placing of Placing Shares
“Placing Shares”	the Unsubscribed Rights Shares and the EU Unsold Right Shares
“Prospectus”	the prospectus to be issued to the Shareholders containing details of the Rights Issues
“Prospectus Documents”	the Prospectus and the PAL
“Prospectus Posting Date”	5 October 2023 or such other date as the Company may determine, being the date on which the Prospectus Documents are posted to the Qualifying Shareholders
“Qualifying Shareholders”	Shareholders, other than Excluded Shareholders, whose names appear on the register of members of the Company at the close of business on the Record Date
“Record Date”	4 October 2023 or such other date as may be determined by the Company, being the date by reference to which the Shareholders’ entitlements to the Rights Issue are determined
“Rights Issue”	the issue of the Rights Shares by way of rights on the basis of three Rights Shares for every one Share held by the Qualifying Shareholders on the Record Date at the Subscription Price
“Rights Shares”	up to 85,401,480 new Shares (assuming no change in the number of issued Shares on or before the Record Date)
“SFC”	the Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened to consider and approve the Rights Issue
“Share Registrar”	Computershare Hong Kong Investor Services Ltd.
“Shareholders”	holders of the Shares

“Shares”	the ordinary shares of HK\$0.08 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.22 per Rights Share under the Rights Issue
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Unsubscribed Rights Shares”	the Rights Shares that are not subscribed by the Qualifying Shareholders

For and on behalf of the Board
Leung Ka Ho
Company Secretary

Hong Kong 11 August 2023

As at the date of this announcement, the board of directors of the Company comprises Ms. Chan Ho Yee as executive director; and Ms. Pang King Sze, Rufina, Mr. Hong Bingxian and Mr. Huang Zhe as independent non-executive directors.

This announcement, for which the directors of the Company 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 of the Company, 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 “Latest Company Announcements” page of the website of the Stock Exchange at <http://www.hkexnews.hk> for seven days and on the website of the Company at <http://www.mfpy.com.hk>.