
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Prospectus appears for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company. Dealings in the Shares and the Rights Shares in both nil-paid and fully-paid forms may be settled through CCASS established and operated by HKSCC and you should consult your stockbroker or licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

If you are in doubt as to any aspect of this Prospectus or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser. **If you have sold or transferred** all your shares in Almana Limited, you should at once hand this Prospectus to the purchasers or transferees or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchasers or transferees.

Copies of the Prospectus Documents, together with the documents specified in the paragraph headed “14. Documents Delivered to the Registrar of Companies in Hong Kong” in Appendix III to this Prospectus, have been registered by the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission, the Registrar of Companies in Hong Kong, Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Prospectus or any other documents referred to above, make no representation as to their 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 their contents.



Almana Limited 曼纳有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 08186)

RIGHTS ISSUE ON THE BASIS OF THREE RIGHTS SHARES FOR EVERY ONE SHARE

The Rights Issue is on a non-underwritten basis. There is no statutory requirement regarding minimum subscription level in respect of the Rights Issue. As the Rights Issue is subject to fulfilment of the conditions set out in the section headed “Letter from the Board – Conditions of the Rights Issue” in this Prospectus and the Rights Issue and the Placing may or may not proceed, dealing in the Shares and/or the nil-paid Rights Shares are subject to the risk that the Rights Issue may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares and/or the Rights Shares and, if they are in doubt about their position, they should consult their own professional advisers.

The latest time for acceptance of and payment for the Rights Shares and for application is 4:00 p.m. on Thursday, 19 October 2023. The procedure for acceptance and payment or transfer is set out on pages 12 to 13 of this Prospectus.

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CHARACTERISTICS OF GEM

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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

EXPECTED TIMETABLE

The expected timetable in respect of the Rights Issue is set out below:

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 payment for Rights Shares	4:00 p.m. on Thursday, 19 October
Announcement of the number of Placing Shares	Tuesday, 24 October
Commencement of placing of Placing Shares	Wednesday, 25 October
Latest time of placing of Placing Shares	6:00 p.m. on Wednesday, 1 November
Latest time for Rights Issue and placing of Placing Shares to become unconditional	Wednesday, 1 November
Announcement of results of Rights Issue (including results of Placing and Net Gain)	Thursday, 2 November
Refund cheques to be despatched (if Rights Issue does not proceed)	Friday, 3 November
Despatch of certificates for fully-paid Rights Shares	Friday, 3 November
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Monday, 6 November
Payment of Net Gain	Monday, 20 November

All times and dates in this Prospectus refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above or in other parts of this Prospectus 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.

EXPECTED TIMETABLE

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 as announced by the Government of the Hong Kong Special Administrative Region 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..

An announcement will be made by the Company in such event as soon as practicable.

DEFINITIONS

In this Prospectus, the following expressions have the meanings set out below unless the context indicates otherwise:

“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”	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 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 date of the announcement in respect of the Rights Issue
“Latest Practicable Date”	26 September 2023, being the latest practicable date prior to the printing of this Prospectus for ascertaining certain information referred to in this Prospectus

DEFINITIONS

“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 premiums 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 the 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 the Placing Shares
“Placing Shares”	the Unsubscribed Rights Shares and the ES Unsold Rights Shares
“Prospectus”	this prospectus dated 5 October 2023 despatched to Shareholders containing details of the Rights Issues
“Prospectus Documents”	the Prospectus and the PAL

DEFINITIONS

“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 there is 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 held on 21 September 2023 to approve the Rights Issue
“Share Registrar”	Computershare Hong Kong Investor Services Limited
“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

LETTER FROM THE BOARD



Almana Limited

曼納有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 08186)

Executive Director:

CHAN Ho Yee

Registered office:

Clarendon House, 2 Church Street
Hamilton HM 11, Bermuda

Independent Non-executive Directors:

PANG King Sze, Rufina

HONG Bingxian

HUANG Zhe

*Head office and principal place of business
in Hong Kong:*

35/F, Two Pacific Place, 88 Queensway
Admiralty, Hong Kong

5 October 2023

To the Shareholders

Dear Sir or Madam,

RIGHTS ISSUE ON THE BASIS OF THREE RIGHTS SHARES FOR EVERY ONE SHARE

INTRODUCTION

At the SGM, the resolution approving the Rights Issue was duly passed by the independent Shareholders by way of poll. The purpose of this Prospectus is to provide you with the information of the Rights Issue and certain financial and other general information of the Group.

RIGHTS ISSUE

Issue statistics

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

LETTER FROM THE BOARD

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 as at Latest Practicable Date	:	28,467,160 Shares
Number of Rights Shares	:	Up to 85,401,480 Rights Shares
Aggregate nominal value of Rights Shares	:	Up to HK\$6,832,118
Number of Shares upon completion of Rights Issue	:	Up to 113,868,640 Shares
Maximum funds raised	:	Up to HK\$18.7 million

As at the Latest Practicable Date, 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 Latest Practicable Date; 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 acceptance 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 the 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.

LETTER FROM THE BOARD

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 Shareholders (except for HKSCC Nominees Limited) for their 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 Latest Practicable Date, 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:

- (i) 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
- (ii) it/she will accept and subscribe in full for all the Rights Shares in which it/she is beneficially entitled under the Rights Issue on and subject to the terms and condition 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 (i) 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; and (ii) for purpose of complying with the public float requirements of the Company under Rule 11.23(7) of the GEM Listing Rules.

Save for the above irrevocable undertakings, the Company has not received, as at Latest Practicable Date, 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

LETTER FROM THE BOARD

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 21.77% 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 23.75% represented by the cumulative theoretical diluted price of HK\$0.145 per Share to the benchmarked price (as defined under Rule 10.44A of the GEM Listing Rules) of HK\$0.19 per Share;
- (vi) a discount of 18.5% to the closing price of HK\$0.27 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (vii) 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\$5.2 million as at 30 June 2023 and 28,467,160 Shares in issue as at the Latest Practicable Date).

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, particularly the consecutive loss-making position of the Group in the past and the net asset value of HK\$0.18 per Share as at 30 June 2023; (iv) the low trading volume of the Shares in the past six months; and (v) the reasons for and benefits of Rights Issue as discussed in the section headed “Reasons for and benefits of the Rights Issue and use of proceeds”. As such, the Board considers that it is necessary and reasonable to set the Subscription Price at a discount to the recent market price of the Shares in order to attract Shareholders and investors to participate in the Rights Issue.

LETTER FROM THE BOARD

The Board 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, a Shareholder must lodge the relevant documents for transfers 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.

LETTER FROM THE BOARD

Based on the register of members of the Company as at the Latest Practicable Date, there were 5 Overseas Shareholders who together held 650,507 Shares (representing 2.3% of the issued Shares) had registered addresses situated in China. Pursuant to Rule 17.41(1) of the GEM Listing Rules, the Company has made enquiries regarding the restrictions under the laws of China and the requirements of the relevant regulatory body or stock exchange in order to determine the feasibility of extending the Rights Issue to the above Overseas Shareholders. Given that there is no legal restriction under the laws of or requirements of any regulatory body or stock exchange in China with respect to extending the Rights Issue to the Overseas Shareholders in China, the Board has decided to extend the Rights Issue to the Overseas Shareholders having registered addresses in China and such Overseas Shareholders are considered as Qualifying Shareholders. Accordingly, as at the Latest Practicable Date, there was no Excluded Shareholder. Should there be Excluded Shareholders that appear on the register of members of the Company on the Record Date, the Company will send the Prospectus to the Excluded Shareholders for their information only, but will not send any PAL to them.

The Rights Issue does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to the nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful. It is the responsibility of any person (including but without limitation to nominee, custodian, agent and trustee) receiving a copy of the Prospectus Documents outside Hong Kong and wishing to take up the Rights Shares to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant territory or jurisdiction, including the obtaining of any governmental or other consents and/or observing any other formalities which may be required in such territory or jurisdiction, and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith. Any acceptance by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been complied with. If you are in any doubt as to your position, you should consult your professional adviser. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties.

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.

LETTER FROM THE BOARD

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.

Procedures for acceptance and payment or transfer

A PAL is enclosed with this Prospectus which entitles the Qualifying Shareholders to whom it is addressed to subscribe for the number of Rights Shares shown therein. If a Qualifying Shareholder wishes to accept all the Rights Shares provisionally allotted to him/her/it as specified in the PAL, he/she/it must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance with the Share Registrar at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by not later than 4:00 p.m. on Thursday, 19 October 2023. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier’s orders which must be issued by, a licensed bank in Hong Kong and made payable to “**ALMANA LIMITED – PAL**” and crossed “**ACCOUNT PAYEE ONLY**”.

It should be noted that unless the duly completed PAL, together with the appropriate remittance, have been lodged with the Share Registrar by not later than 4:00 p.m. on Thursday, 19 October 2023 whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. The Company may, at its sole discretion, treat a PAL as valid and binding on the person by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicants at a later stage.

LETTER FROM THE BOARD

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer part or all of his/her/its rights to more than one person, the entire PAL must be surrendered and lodged for cancellation by not later than 4:30 p.m. on Wednesday, 11 October 2023 to the Share Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Share Registrar at, after 9:00 a.m. on the second business day after the surrender of the original PAL. The Company reserves the right to refuse any transfer in favour of any person in respect of which the Company believes such transfer may violate applicable legal or regulatory requirement.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or cashier's orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a cashier's order, whether by a Qualifying Shareholder or by any nominated transferees, will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. No receipt will be issued in respect of any application monies received.

If the conditions of the Rights Issue set out in the sub-section headed "Conditions of the Rights Issue" below are not fulfilled, the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in their nil-paid form have been validly transferred or, in the case of joint acceptances, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Share Registrar on or before Friday, 3 November 2023.

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.

LETTER FROM THE BOARD

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 realized 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.

LETTER FROM THE BOARD

Shareholders are reminded that Net Gain may or may not be realized 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 Placees, 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.
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.
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 shall rank <i>pari passu</i> in all respects among themselves and with the Shares then in issue.
Termination	:	The Placing shall end on Wednesday, 1 November 2023 or any other date by mutual written agreement between the Placing Agent and the Company.

LETTER FROM THE BOARD

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. In addition, if during the course of the engagement it has come to the Placing Agent's knowledge that there is material adverse change in the business and operational environment of 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.

LETTER FROM THE BOARD

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 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 (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 has applied 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.

LETTER FROM THE BOARD

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 the 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.

LETTER FROM THE BOARD

Conditions of the Rights Issue

The Rights Issue is conditional upon:

- (i) the passing by the independent Shareholders at the SGM of the necessary 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 Registrar of Companies 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 THE USE OF PROCEEDS

The Group is principally engaged in the household, plantation and accessory businesses. In view of the disruptive impact of the COVID-19 pandemic on the business operations, the Group, in addition to sales of its products, has been exploring the manufacturing of household products through acquisition of plant and equipment to enable the Group to remain competitive in the market. The Group does not expect such move will bring about change to its existing business model.

LETTER FROM THE BOARD

However, due to (i) the unprecedented disturbing 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 have an adverse 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 capacity in a timely manner.

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 (which is repayable in 2023); (ii) HK\$5 million for acquisition of operating assets (plant and equipment) for the household business; and (iii) the remaining balance of HK\$5 million for working capital of business operations and general corporate and administrative expenses (e.g. rents, overheads and remunerations). However, if the free cash generated from business operations is not sufficient to repay the remaining balance of the advance from customers which is repayable in 2024, the Company intends to apply part of the proceeds reserved for business working capital and/or purchase of operating assets for settlement of the outstanding advance. The Company will make announcements if there is any change in the intended use of proceeds. Also, 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

LETTER FROM THE BOARD

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 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 STRUCTURE

Set out below is the shareholding structure of the Company (assuming there is no change in the number of issued Shares before completion of the Rights Issue):

		As at Latest Practicable Date		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 no Placing Share having been placed by Placing Agent		Immediately upon completion of Rights Issue assuming nil acceptance of Rights Shares by Qualifying Shareholders and all 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%
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:

- The number of Rights Shares to be subscribed by Perfect Advance will be scaled down (i) to the extent that it and its associates will not trigger a general offer obligation under the Takeovers Code and (ii) for purpose of complying with the public float requirements of the Company under the GEM Listing Rules.
- 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.

LETTER FROM THE BOARD

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 its creditors' claims; and (ii) 8.5 million new Shares at the issue price of HK\$0.55 per Share to Perfect Advance for loan capitalisation (both, the "Share Allotments").

WARNING OF THE RISKS OF DEALING IN THE SHARES AND RIGHTS SHARES

The Rights Issue is on a non-underwritten basis. There is no statutory requirement regarding minimum subscription level in respect of the Rights Issue. The Rights Issue is subject to the fulfilment of conditions set out in the section headed "Letter from the Board – Conditions of the Rights Issue" in this Prospectus. As the Rights Issue and the Placing may or may not proceed, dealing in the Shares and/or the nil-paid Rights Shares are subject to the risk that the Rights Issue may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares and/or the Rights Shares and, if they are in doubt about their position, they should consult their own professional advisers.

The latest time for acceptance of and payment for the Rights Shares and for application is 4:00 p.m. on Thursday, 19 October 2023. The procedure for acceptance and payment or transfer is set out on pages 12 to 13 of this Prospectus.

ADDITIONAL INFORMATION

Your attention is drawn to the information set out in the appendices to this Prospectus.

Yours faithfully
For and on behalf of the Board
Chan Ho Yee
Executive Director

1. SUMMARY OF FINANCIAL INFORMATION

The audited financial information of the Company are disclosed in the annual reports of the Company for the years ended 31 December 2020 (pages 26 to 120), 2021 (pages 27 to 108) and 2022 (pages 26 to 90), which are published on 11 March 2022, 15 May 2022 and 31 March 2023 respectively. The unaudited financial information of the Company are disclosed in the interim report of the Company for the six months ended 30 June 2023 (pages 2 to 12), which is published on 9 August 2023. The above mentioned financial information is available on the websites of the Company at www.mfpy.com.hk and the Stock Exchange at www.hkexnews.hk:

- (a) the annual report of the Company for the year ended 31 December 2020 (<https://www1.hkexnews.hk/listedco/listconews/gem/2022/0311/2022031101329.pdf>);
- (b) the annual report of the Company for the year ended 31 December 2021 (<https://www1.hkexnews.hk/listedco/listconews/gem/2022/0515/2022051500143.pdf>);
- (c) the annual report of the Company for the year ended 31 December 2022 (<https://www1.hkexnews.hk/listedco/listconews/gem/2023/0331/2023033103707.pdf>);
- (d) the interim report of the Company for the six months ended 30 June 2023 (<https://www1.hkexnews.hk/listedco/listconews/gem/2023/0809/2023080901014.pdf>).

2. STATEMENT OF INDEBTEDNESS

As at 31 August 2023, being the latest practicable date for this statement of indebtedness prior to the printing of this Prospectus, the indebtedness of the Group comprised its lease liabilities (including both current and non-current portions) of approximately HK\$54,000 as recognised under HKFRS 16. Save for the above lease liabilities and apart from intra-group liabilities and normal trade and other payables, as at 31 August 2023, the Group did not have any loan capital issued and outstanding or agreed to be issued, term loans, bank overdrafts, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages and charges, hire purchase commitments, contingent liabilities or guarantee outstanding.

3. WORKING CAPITAL STATEMENT

The Board, after due and careful consideration, is of the opinion that, after taking into account the estimated net proceeds from the Rights Issue and its presently available financial resources, including funds internally generated from operation, the Group will have sufficient working capital for operation for the twelve months from the date of this Prospectus.

4. MATERIAL ADVERSE CHANGES

The Board confirms that there has been no material adverse change in the financial or trading position of the Group since 31 December 2022, being the date to which the latest published audited consolidated financial statements of the Group were made up, and up to and including the Latest Practicable Date.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in the household, plantation and accessory businesses. During the year ended 31 December 2022, the revenue of the Group decreased by 17.7% to HK\$22.3 million (2021: HK\$27.1 million). The Group's gross profit decreased to HK\$2.6 million (2021: HK\$3.3 million) but the gross profit margin remained at a similar level of 11.8% (2021: 12.1%). The Group completed its debt restructuring by way of a scheme of arrangement in 2022 and as a result, the Group recorded an other income of HK\$55.7 million and a consolidated profit attributable to owners of the Company of HK\$49.3 million (2021: loss of HK\$7.3 million).

The Group's revenue for the six months ended 30 June 2023 decreased by 21.4% to HK\$12.6 million (2022: HK\$16.0 million), but its gross profit and gross profit margin increased to HK\$3.2 million (2022: HK\$2.0 million) and 25.5% (2022: 12.3%) respectively due to increase in the gross profit margin of household and accessories products. As a result of the Group's improved business performance and the significant reduction in finance costs following completion of the Group's debt restructuring as mentioned above, the Group managed to achieve the breakeven point for the six months ended 30 June 2023 (2022: loss of HK\$2.0 million). As at 30 June 2023, the Group had total assets of HK\$27.1 million (31 December 2022: HK\$22.2 million) and total liabilities of HK\$21.9 million (31 December 2022: HK\$17.0 million), resulting in the net assets of HK\$5.2 million (31 December 2022: HK\$5.2 million) and net asset per Share of HK\$0.18 (31 December 2022: HK\$0.18) respectively.

Following the debt restructuring by way of scheme of arrangement to resolve the debt crisis of the Company in 2021 and 2022, it has been the principal objective of the Company to enhance long-term return for all its stakeholders through prudent financial and liquidity management. The Group will use a more pragmatic management model to stay on the business frontline and strive to seize opportunities of the times i.e. on one hand, the Company will continue to actively respond to the evolving market dynamics and act swiftly to adjust its business strategies in a timely manner and, on the other hand, it will continue to mitigate risks and expedite the development of new markets and new businesses so that its business development will be steadily back on track. Looking ahead, the outlook for the global economy is still uncertain. The challenges arising from the continuing Sino-United States conflict, the war in Ukraine, global interest rate hikes and tightening of monetary policies will continue to adversely impact on the business activities worldwide including the Group's business operation. It is expected that more challenges and opportunities will be present in the Group's business sectors. The Group will continue to strengthen its overall business and financial profiles while actively exploring long term value accretive acquisitions and business opportunities.

Given the Group's improved profitability, substantially eliminated liabilities following completion of the scheme of arrangement and the Rights Issue to strengthen its operating assets and working capital, the Company is confident that it is in a good position.

**UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET
TANGIBLE ASSETS OF THE GROUP**

The accompanying unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company (the “Unaudited Pro Forma Financial Information”) has been prepared in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants to illustrate the effect of the Rights Issue on the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company on 30 June 2023 as if it had taken place on 30 June 2023.

Capitalised terms used herein shall have the same meanings as those defined in this Prospectus unless the context otherwise requires. The Unaudited Pro Forma Financial Information is prepared based on the unaudited consolidated net assets of the Group attributable to the owners of the Company as at 30 June 2023, as extracted from the unaudited condensed consolidated financial statements for the six months ended 30 June 2023 set out in the published interim report of the Company, after incorporating the unaudited pro forma adjustments described in the accompanying notes.

The Unaudited Pro Forma Financial Information has been prepared by the Directors for illustrative purposes only, based on the judgements and assumptions of the Directors, and because of its hypothetical nature, may not give a true picture of the consolidated net tangible assets of the Group attributable to the owners of the Company had the Rights Issue been completed as at 30 June 2023 or at any future date.

	Unaudited consolidated net tangible assets attributable to the owners of the Company as at 30 June 2023 <i>HK\$'000</i> <i>(Note 1)</i>	Net proceeds from Rights Issue <i>HK\$'000</i> <i>(Note 2)</i>	Unaudited pro forma adjusted consolidated net tangible assets attributable to the owners of the Company as at 30 June 2023 <i>HK\$'000</i>	Unaudited consolidated net tangible assets attributable to the owners of the Company per Share before completion of Rights Issue <i>HK\$'000</i> <i>(Note 3)</i>	Unaudited pro forma adjusted consolidated net tangible assets attributable to the owners of the Company per Share immediately after completion of Rights Issue <i>HK\$'000</i> <i>(Note 4)</i>
Based on 85,401,480 Rights Shares at subscription price of HK\$0.22	5,151	17,500	22,651	0.18	0.20

Notes:

- (1) The unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2023 is extracted from the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2023 set out in the published interim report of the Company, which is based on the unaudited consolidated net assets of the Group attributable to the owners of the Company as at 30 June 2023.
- (2) The net proceeds from the Rights Issue is estimated to be approximately HK\$17,500,000 based on 85,401,480 Rights Shares to be issued at Subscription Price of HK\$0.22 per Rights Share and after deducting all directly attributable transaction costs which is estimated to be approximately HK\$1,300,000.
- (3) Based on the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2023 of approximately HK\$5,151,000, divided by 28,467,160 Shares in issue as at 30 June 2023.
- (4) Based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company immediately after completion of the Rights Issue, which is arrived at after aggregating the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company of approximately HK\$5,151,000 as at 30 June 2023 and the estimated net proceed of HK\$17,500,000 from the Rights Issue divided by 113,868,640 Shares which comprise 28,467,160 Shares in issue as at 30 June 2023 and 85,401,480 Rights Shares.
- (5) No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets to reflect any trading or other transactions of the Group entered into subsequent to 30 June 2023.

The following is the text of the independent reporting accountants' assurance report received from BDO Limited, Certified Public Accountants, Hong Kong, the reporting accountants of our Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this prospectus.



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INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the directors of Almana Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Almana Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2023 and related notes as set out on pages 25 to 26 of Appendix II of the Company's prospectus dated 5 October 2023 (the "Prospectus") in connection with the proposed rights issue on the basis of three rights shares ("Rights Shares") for every one existing share ("Share") held on the Record Date (as defined in the Prospectus) (the "Proposed Rights Issue"). The applicable criteria on the basis of which the directors of the Company have compiled the unaudited pro forma financial information are described on pages 25 to 26 of Appendix II of the Prospectus.

The unaudited pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the Proposed Rights Issue on the Group's financial position as at 30 June 2023 as if the Proposed Rights Issue had taken place at 30 June 2023. As part of this process, information about the Group's financial position has been extracted by the directors of the Company from the Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2023, on which an interim report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The directors of the Company are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements” issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the GEM Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the directors of the Company have compiled the unaudited pro forma financial information in accordance with paragraph 7.31 of the GEM Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in a Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Proposed Rights Issue at 30 June 2023 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the entity, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Company; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 7.31(1) of the GEM Listing Rules.

BDO Limited

Certified Public Accountants

Hong Kong

5 October 2023

1. RESPONSIBILITY STATEMENT

This Prospectus, 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 Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there is no other matter the omission of which would make any statement herein or this Prospectus misleading.

2. SHARE CAPITAL AND OPTIONS

(a) Share capital

Assuming there is no change in the issued share capital of the Company from the Latest Practicable Date to completion of the Rights Issue and full acceptance of the Rights Shares, the authorised and issued share capital of the Company are as follows:

(I) As at the Latest Practicable Date

	Number of Shares	Nominal value of shares HK\$'000
Authorised:	2,500,000,000	200,000
Issued and fully paid:	28,467,160	2,277

(II) Immediately following completion of the Rights Issue

	Number of Shares	Nominal value of Shares HK\$'000
Authorised:	<u>2,500,000,000</u>	<u>200,000</u>
Issued and fully paid:	28,467,160	2,277
Rights Shares to be issued:	<u>85,401,480</u>	<u>6,832</u>
Shares in issue after Rights Issue:	<u>113,868,640</u>	<u>9,109</u>

All the issued Shares rank *pari passu* with each other in all respects including the rights as to voting, dividends and return of capital. The Rights Shares to be allotted and issued will, when issued and fully paid, rank *pari passu* in all respects with the existing Shares in issue on the date of allotment of the Rights Shares in fully-paid form. The Company has applied to the GEM Listing Committee for the listing of and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms. No part of the share capital or any other securities of the Company

is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, there was no arrangement under which future dividends are waived or agreed to be waived.

(b) Share options

As at the Latest Practicable Date, the Company did not have option, warrant or other convertible securities or rights affecting the Shares and no capital of any member of the Group is under option, or agreed conditionally or unconditionally to be put under option.

3. DISCLOSURE OF INTERESTS

Director's and chief executive of the Company

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the GEM Listing Rules, are as follows:

Name	Capacity	Shares	%
Ms. Chan	Personal	676,127	2.4%

Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares

As at the Latest Practicable Date, so far as is known to any of the Directors or the chief executive of the Company, the following persons (other than a Director and the chief executive of the Company as disclosed above) had interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO, who is interested in 5% or more of any class of share capital carrying right to vote at the general meetings of the Company.

Name	Capacity	Shares	%
Perfect Advance	Corporate	8,476,364	29.8%
Rising Sun Investment Limited	Corporate	2,640,000	9.3%

The Board is not aware of (i) any other person who had any interests or short positions in the Shares or underlying Shares which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be required to be recorded in the register kept by the Company under section 336 of the SFO, nor (ii) any Director who was an employee or director of any substantial Shareholder as at the Latest Practicable Date.

4. DIRECTORS' INTERESTS IN CONTRACT AND ASSET

As at the Latest Practicable Date, none of the Directors, directly or indirectly, had any interest in any assets which had since 31 December 2022 (being the date to which the latest published audited financial statements of the Company were made up) been acquired or disposed of by or leased to the Group, or were proposed to be acquired or disposed of by or leased to the Group. Also, none of the Director was materially interested in any subsisting contract or arrangement which is significant in relation to the business of the Group.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which will not expire or be determinable by the Group within one year without payment of compensation, other than statutory compensation.

6. COMPETING INTEREST

As at the Latest Practicable Date, so far as the Directors are aware of, none of the Directors or any of their respective associates had any interest in business which competes with or may compete with the business of the Group or had any other conflict which any person has or may have with the Group.

7. RISK FACTORS

In compliance with the GEM Listing Rules, set out below are risk factors of the Group for the Shareholders' attention:

- (a) the prices of the Group's products are subject to a number of factors, including consumer demand, market supply and substitutions available etc. If there is a continuous decline in the prices of the products, the profitability of the Group will be adversely affected;
- (b) the Group's products are competitive and subject to challenges such as pressure from rising production costs, volatile product prices and substitution of products. If the Group fails to respond to changes in market conditions and the market demand, the financial performance of the Group will be adversely affected;

- (c) the Group trade receivables are subject to credit risk. If the counter-parties default on their settlements to the Group, the Group will suffer financial loss; and
- (d) the changes in the macro-economic situation and other factors such as instability of regulations, government policies and economy may have any adverse effect on the Group's business, financial condition and results.

8. MATERIAL LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claim of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

9. EXPERT AND CONSENT

The following is the qualification of the expert who has been named in this Prospectus or have given opinions, letters or advices contained in this Prospectus:

Name	Qualification
BDO Limited	Certified Public Accountants Registered Public Interest Entity Auditor

As at the Latest Practicable Date, the above expert did not have (i) any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and (ii) any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2022, being the date to which the latest published audited accounts of the Company were made up. Also, the above expert has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its letter or report and the reference to its name in the form and context in which they respectively appear.

10. EXPENSES

The expenses in connection with the Rights Issue and the Placing, including professional fees, printing, registration, translation, legal and accounting fees, are estimated to be approximately HK\$1.3 million and are payable by the Company.

11. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Executive Director	Ms. Chan Ho Yee
Independent non-executive Directors	Ms. Pang King Sze, Rufina Mr. Hong Bingxian Mr. Huang Zhe
Authorised representatives	Ms. Chan Ho Yee Mr. Leung Ka Ho
Compliance officer	Ms. Chan Ho Yee
Company secretary	Mr. Leung Ka Ho
Registered office	Clarendon House 2 Church Street, Hamilton HM 11, Bermuda
Principal place of business in Hong Kong	35/F, Two Pacific Place 88 Queensway, Hong Kong
Principal share registrar and transfer office in Bermuda	Conyers Corporate Services (Bermuda) Limited Clarendon House 2 Church Street, Hamilton HM 11, Bermuda
Branch share registrar and transfer office in Hong Kong	Computershare Hong Kong Investor Services Limited Shops 1712–1716, 17/F, Hopewell Centre 183 Queens Road East, Wanchai, Hong Kong
Principal banker	Bank of China (Hong Kong) Limited 1 Garden Road, Hong Kong
Auditor	BDO Limited 25/F, Wing On Centre 111 Connaught Road Central, Hong Kong
Placing Agent	Space Securities Limited Flat 1905-07, Block 6, The Gateway 9 Canton Road, Hong Kong
Legal advisers as to Hong Kong laws	Haldanes 7/F, Ruttonjee House 11 Duddell Street, Hong Kong

12. PARTICULARS OF THE DIRECTORS AND COMPANY SECRETARY OF THE COMPANY

Executive Director

Ms. Chan, aged 27, is experienced in business arrangement and project management and has established connections in Hong Kong and the overseas market. Ms. Chan is responsible for the Group's design and production planning of household products and exploring business opportunities in the Asian and overseas markets. Ms. Chan holds a master's degree in fine arts.

Independent Non-executive Directors

Ms. Pang King Sze, Rufina, aged 48, has more than 20 years of experience in the areas of audit, financial management and internal control. Ms. Pang is the co-founder and a partner of a certified public accountants firm in Hong Kong. Ms. Pang is a member of the Hong Kong Institute of Certified Public Accountants and a member of the New Zealand Institute of Chartered Accountants. Ms. Pang holds a bachelor's degree in business.

Mr. Hong Bingxian, aged 55, has 30 years of experience in production and international trade with substantial knowledge in logistics management and production process. Mr. Hong is the founder and the managing director of a household manufacturing group and an education group in China.

Mr. Huang Zhe, aged 57, has 30 years of experience in manufacturing, sales and marketing and brand management. He has held managerial positions in a number of entities in the manufacturing industry prior to founding his own business 20 years ago. Mr. Huang is the founder and the managing director of a manufacturing company in China.

Audit Committee

The audit committee of the Board comprises three members, all being independent non-executive Directors. The chairperson of the committee is Ms. Pang King Sze, Rufina and the other members are Mr. Hong Bingxian and Mr. Huang Zhe. The audit committee's primary duties include making recommendations to the Board in relation to the appointment, re-appointment and removal of external auditors, reviewing the Group's financial statements, annual, interim and quarterly reports and the independent auditor's report to ensure presentation of a true and balanced assessment of the Group's financial position (including major judgmental areas, compliance with accounting principles and standards, compliance with GEM Listing Rules and financial reporting requirements), reviewing the Group's financial information and reporting procedures, internal controls and risk management, effectiveness of the internal audit functions, audit plans and relationship with external auditors and reviewing the Group's financial and accounting policies and practices.

Company Secretary

Mr. Leung Ka Ho, aged 35, is the company secretary of the Company and a member of the Hong Kong Institute of Certified Public Accountants.

Business Address of the Directors

The business address of the Directors is the same as the Company's principal place of business in Hong Kong.

13. MATERIAL CONTRACT

Save for the Placing Agreement, the Group has not entered into any other material contract (not being contracts in the ordinary course of business) within two years preceding the Latest Practicable Date.

14. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of each of the Prospectus Documents and the written consent as referred to under the paragraph headed "9. Expert and Consent" in this appendix have been registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (WUMP) Ordinance.

15. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange and the Company for 14 days from the date of this Prospectus:

- (i) the annual reports of the Company for the years ended 31 December 2020, 2021 and 2022;
- (ii) the interim report of the Company for the six months ended 30 June 2023;
- (iii) the letter from the Board, the text of which is set out on pages 6 to 22 of this Prospectus;
- (iv) the letter issued by BDO Limited regarding the unaudited pro forma financial information of the Company as set out in appendix II of this Prospectus;
- (v) the written consent under "9. Expert and Consent" in this appendix; and
- (vi) the material contract under "13. Material Contract" in this appendix.

16. MISCELLANEOUS

- (i) As at the Latest Practicable Date, (a) there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong; (b) the Company has no significant exposure to foreign exchange liabilities; (c) save as disclosed in this Prospectus, there was no material contract for the hire or hire purchase of plant to or by any member of the Group for a period of over a year which is substantial in relation to the Group's business.
- (ii) The English text of this Prospectus shall prevail over the Chinese text in case of inconsistency.