



**PALINDA GROUP HOLDINGS LIMITED**  
**百利達集團控股有限公司**

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8179



**2024**  
Interim Report

## **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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*This report, for which the directors (“Directors”) of Palinda Group Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

# CORPORATE INFORMATION

## Board of Directors

### *Executive Directors*

Ms. Huang Wei (*Chairlady*)  
Mr. Dou Sheng

### *Independent Non-executive Directors*

Mr. Wu Chi King  
Mr. So Yat Chuen  
Ms. Cheng Wai, Iris

## Compliance Officer

Ms. Huang Wei

## Authorised Representatives

Ms. Huang Wei  
Mr. Wong Wai Chun, Alex  
(*resigned on 5 December 2023*)  
Ms. Lau Annie (*appointed on  
5 December 2023 and resigned on  
21 December 2023*)  
Mr. Lai Nga Ming, Edmund  
(*appointed on 21 December 2023 and  
resigned on 8 July 2024*)  
Ms. Leung Kai Ning (*appointed on  
8 July 2024*)

## Company Secretary

Mr. Wong Wai Chun, Alex  
(*resigned on 5 December 2023*)  
Ms. Lau Annie (*appointed on  
5 December 2023 and resigned on  
21 December 2023*)  
Mr. Lai Nga Ming, Edmund  
(*appointed on 21 December 2023 and  
resigned on 8 July 2024*)  
Ms. Leung Kai Ning (*appointed on  
8 July 2024*)

## Audit Committee Members

Mr. Wu Chi King (*Chairman*)  
Mr. So Yat Chuen  
Ms. Cheng Wai, Iris

## Remuneration Committee Members

Mr. So Yat Chuen (*Chairman*)  
Mr. Wu Chi King  
Ms. Cheng Wai, Iris

## Nomination Committee Members

Mr. So Yat Chuen (*Chairman*)  
Mr. Wu Chi King  
Ms. Cheng Wai, Iris

## Auditor

Privatco CPA Limited  
*Certified Public Accountants*

## Principal Bankers

Industrial and Commercial Bank of  
China (Asia) Limited  
Shanghai Commercial Bank Limited

## Legal Advisor

Yick & Chan, Solicitors  
Suite A1, 11/F, One Capital Place  
18 Luard Road  
Wanchai, Hong Kong

## **CORPORATE INFORMATION (Continued)**

### **Registered Office**

Cricket Square  
Hutchins Drive  
PO Box 2681  
Grand Cayman  
KY1-1111  
Cayman Islands

### **Head Office, Headquarter and Principal Place of Business in Hong Kong**

Unit 306-A201, 3/F.  
Harbour Centre, Tower 1  
1 Hok Cheung Street  
Hunghom, Kowloon  
Hong Kong

### **Hong Kong Share Registrars and Transfer Office**

Union Registrars Limited  
Suites 3301-04, 33/F.  
Two Chinachem Exchange Square  
338 King's Road, North Point, Hong Kong

### **Company Website**

[www.palinda.com](http://www.palinda.com)

### **GEM Stock Code**

8179

The board of Directors (the “Board”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2024 (the “2024 Interim”), together with the unaudited comparative figures for the corresponding period of six months ended 30 June 2023 (the “2023 Interim”), as follows:

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

For the six months ended 30 June 2024

	Notes	For the six months ended 30 June	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Revenue	4	218,804	249,088
Other income		176	160
Cost of sales and inventories consumed	6	(170,466)	(202,479)
Employee benefits expenses	6	(1,847)	(1,420)
Other loss	6	–	(1,339)
Administrative expenses		(3,758)	(3,400)
Finance costs	5	(3,774)	(2,680)
<b>Profit before tax</b>	6	<b>39,135</b>	<b>37,930</b>
Income tax expenses	7	(6,317)	(6,689)
<b>Profit for the period</b>		<b>32,818</b>	<b>31,241</b>



# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED) (Continued)

For the six months ended 30 June 2024

	Notes	For the six months ended 30 June	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Other comprehensive income for the period: <i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		150	100
		150	100
Total comprehensive income for the period		32,968	31,341
Profit for the period attributable to:			
Owners of the Company		32,818	31,241
Non-controlling interests		–	–
		32,818	31,241
Total comprehensive income for the period attributable to:			
Owners of the Company		32,968	31,341
Non-controlling interests		–	–
		32,968	31,341
Earnings per share	8		
– Basic and diluted ( <i>HK cents per share</i> )		2.73	3.13

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2024

	<i>Notes</i>	<b>As at 30 June 2024 HK\$'000 (Unaudited)</b>	As at 31 December 2023 HK\$'000 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment		43,532	44,575
Right-of-use assets		1,340	1,501
		<b>44,872</b>	<b>46,076</b>
<b>Current assets</b>			
Inventories	<i>10</i>	416,736	393,716
Biological assets	<i>11</i>	359	187
Trade receivables	<i>12</i>	89,313	51,875
Prepayments, deposits and other receivables	<i>12</i>	473	450
Income tax recoverable		–	453
Bank balances and cash		3,459	3,218
		<b>510,340</b>	<b>449,899</b>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED) (Continued)

As at 30 June 2024

	<i>Notes</i>	<b>As at 30 June 2024 HK\$'000 (Unaudited)</b>	As at 31 December 2023 HK\$'000 (Audited)
<b>Current Liabilities</b>			
Trade payables	13	15,794	697
Other payables, accruals and deposit received	13	2,831	1,941
Borrowings	14	106,670	125,630
Income tax payable		5,793	–
Lease liabilities		1,312	1,448
		<b>132,400</b>	129,716
<b>Net current assets</b>		<b>377,940</b>	320,183
<b>Total assets less current liabilities</b>		<b>422,812</b>	366,259
<b>Non-current liabilities</b>			
Lease liabilities		53	92
		<b>53</b>	92
<b>Net assets</b>		<b>422,759</b>	366,167
<b>Capital and reserves</b>			
Share capital	15	143,307	119,624
Reserves		279,452	246,543
Equity attributable to owners of the Company		<b>422,759</b>	366,167
Non-controlling interests		–	–
<b>Total equity</b>		<b>422,759</b>	366,167



# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 30 June 2024

	Attributable to owners of the Company							Non-controlling interests	Total equity
	Share capital	Share premium	Capital reserve	Foreign currency translation reserve	Accumulated losses	Sub-total			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		(Note (i))	(Note (ii))	(Note (iii))					
Balance at 1 January 2024 (Audited)	119,624	681,960	106	(160)	(435,363)	366,167	-	366,167	
Profit for the period	-	-	-	-	32,818	32,818	-	32,818	
Other comprehensive income for the period									
Exchange differences arising on transaction of foreign operations	-	-	-	150	-	150	-	150	
Total comprehensive income for the period	-	-	-	150	32,818	32,968	-	32,968	
Issuance of shares under subscription agreement	23,683	-	-	-	-	23,683	-	23,683	
Expense for issue of share	-	(59)	-	-	-	(59)	-	(59)	
<b>Balance as at 30 June 2024 (Unaudited)</b>	<b>143,307</b>	<b>681,901</b>	<b>106</b>	<b>(10)</b>	<b>(402,545)</b>	<b>422,759</b>	<b>-</b>	<b>422,759</b>	
Balance at 1 January 2023 (Audited)	99,686	682,028	106	685	(426,664)	355,841	-	355,841	
Profit for the period	-	-	-	-	31,241	31,241	-	31,241	
Other comprehensive income for the period									
Exchange differences arising on transaction of foreign operations	-	-	-	100	-	100	-	100	
Total comprehensive income for the period	-	-	-	100	31,241	31,341	-	31,341	
Balance as at 30 June 2023 (Unaudited)	99,686	682,028	106	785	(395,423)	387,182	-	387,182	

## Notes:

- (i) Share premium represents the difference between the par value of the shares of the Company and proceeds received from the issuance of the shares of the Company which is governed by the Cayman Companies Law.
- (ii) Capital reserve represents the difference between the aggregate amount of issued and fully paid share capital of the subsidiaries acquired by the Company and the nominal amount of the shares issued by the Company in exchange for the entire equity interests in the subsidiaries as part of the group reorganisation.
- (iii) Foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of subsidiaries whose functional currencies are currency other than Hong Kong dollar.

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six months ended 30 June 2024

	For the six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Net cash flows used in operating activities	(6,001)	(7,883)
Net cash generated from investing activities	675	7,202
Net cash generated from/(used in) financing activities	5,417	(2,368)
Net increase/(decrease) in cash and cash equivalents	91	(3,049)
Effect of foreign exchange rate changes	150	100
Cash and cash equivalents at beginning of period	3,218	3,974
Cash and cash equivalent at end of period	3,459	1,025
Analysis of cash and cash equivalents Bank balances and cash	3,459	1,025

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 June 2024*

## 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 10 February 2011 as an exempted company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands. The shares of the Company were listed on GEM of The Stock Exchange since 8 July 2011. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, the Cayman Islands. The address of its principal place of business is Unit 306-A201, 3/F, Harbour Centre, Tower 1, 1 Hok Cheung Street, Hunghom, Kowloon, Hong Kong.

The Company's principal activity during the period is investment holding. The Group's principal activities during the period are trading of wine products, production and sales of food products.

## 2. BASIS OF PREPARATION

The condensed consolidated financial statements of the Group have been prepared in accordance with the Hong Kong Financial Reporting Standards (the "HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of the GEM Listing Rules.

The accounting policies and methods of computation used in the preparation of the condensed consolidated financial statements of the Group are consistent with those adopted in the Group's annual report for the year ended 31 December 2023 (the "2023 Annual Report"). The Group has adopted the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") which are effective for the financial year begin on or after 1 January 2024. The adoption of the new and revised HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared or presented. Accordingly, no prior period adjustment has been required. The condensed consolidated financial statements of the Group do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the 2023 Annual Report.

The condensed consolidated financial statements of the Group have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values. The Interim Financial Statements are presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Group.

### 3. ESTIMATES

The preparation of condensed consolidated financial statements of the Group requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated financial statements of the Group, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 2023 Annual Report.

### 4. REVENUE AND SEGMENT INFORMATION

Information reported to the Directors, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods sold or services rendered which is also consistent with the basis of organisation of the Group. No operating segments identified by the CODM have been aggregated in arriving at the reporting segments of the Group.

Specifically, the Group's reportable and operating segments are as follows:

Wine business – The trading of wine

Food products operation – The production and sales of food products in Hong Kong

#### **Segment revenue and results**

Segment revenue represents revenue derived from the sales of wine, production and sales of food products.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent the results from each segment without allocation of certain other income, certain other loss, certain administrative costs, certain employee benefits expenses, and finance costs. This is the measure reported to CODM for purposes of resource allocation and performance assessments.

#### 4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

##### Segment revenue and results (Continued)

The following is an analysis of the Group's turnover, revenue, results, assets and liabilities by reportable and operating segments.

##### For the six months ended 30 June

	Wine business		Food products operation		Total	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
SEGMENT REVENUE	218,761	249,088	43	–	218,804	249,088
Segment results	45,237	45,382	21	–	45,258	45,382
Unallocated income					–	10
Unallocated corporate expenses					(2,349)	(4,782)
Finance costs					(3,774)	(2,680)
Profit before tax					39,135	37,930

	Wine business		Food products operation		Unallocated		Total	
	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
ASSETS								
Segment assets	553,380	495,305	161	7	–	–	553,541	495,312
Unallocated corporate assets	–	–	–	–	1,671	663	1,671	663
	553,380	495,305	161	7	1,671	663	555,212	495,975
LIABILITIES								
Segment liabilities	131,703	128,617	–	–	–	–	131,703	128,617
Unallocated corporate liabilities	–	–	–	–	750	1,191	750	1,191
	131,703	128,617	–	–	750	1,191	132,453	129,808

#### 4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

##### Segment revenue and results (Continued)

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than certain property, plant and equipment, certain right-of-use assets, certain prepayments, deposits and other receivables, certain bank balances and cash and certain income tax recoverable that cannot be allocated to a specific segment; and
- all liabilities are allocated to operating segments other than certain income tax payable, and certain other payables, accruals and deposit received that cannot be allocated to a specific segment.

##### Geographical information

The Group's operations are located in Hong Kong (country of domicile) and Australia.

Information about the Group's revenue from external customers is presented based on their location of the operations.

##### *Revenue from external customers*

	For the six months ended 30 June	
	2024 HK'000 (Unaudited)	2023 HK'000 (Unaudited)
Hong Kong	218,804	248,972
Australia	–	116
	<b>218,804</b>	<b>249,088</b>

Revenue of HK\$128,606,000 (2023 Interim: HK\$83,304,000) are derived from four (2023 Interim: three) major customers each contributing 10% or more of the total revenue.



#### 4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

##### Geographical information (Continued)

Information about the Group's non-current assets is presented based on the geographical location of the assets.

##### *Non-current assets*

	As at 30 June 2024 <i>HK\$'000</i> (Unaudited)	As at 31 December 2023 <i>HK\$'000</i> (Audited)
Hong Kong	1,361	1,525
Australia	43,511	44,551
	<b>44,872</b>	<b>46,076</b>

#### 5. FINANCE COSTS

	For the six months ended 30 June	
	2024 <i>HK\$'000</i> (Unaudited)	2023 <i>HK\$'000</i> (Unaudited)
Interests on borrowings	3,742	2,680
Interests on lease liabilities	32	–
	<b>3,774</b>	<b>2,680</b>

## 6. PROFIT BEFORE TAX

	For the six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Profit before tax has been arrived at after charging:		
Other loss		
Loss on disposal of subsidiaries	–	1,339
Employee benefits expenses (including directors' and chief executive's emoluments)		
Salaries, wages and other benefits	1,782	1,360
Contributions to retirement benefits schemes		
Defined contribution plan	65	60
	<b>1,847</b>	<b>1,420</b>
Auditor's remunerations	150	219
Cost of sales and inventories consumed	170,466	202,479
Depreciation of property, plant and equipment	9	495
Depreciation of right-of-use of assets	927	34
Legal and professional fees	218	421

## 7. INCOME TAX EXPENSES

	For the six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Current income tax	<b>6,317</b>	6,689

Under the two-tiered profits tax rates regime introduced on 29 March 2018, Hong Kong profits tax rate for the first HK\$2 million of assessable profits is 8.25%. Assessable profits above HK\$2 million is at the rate of 16.5%. Accordingly, the provision for current income tax for the six months ended 30 June 2024 is calculated in accordance with the two-tiered tax regime.

## 8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	For the six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Profit for the period attributable to owners of the Company	32,818	31,241
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,200,140,235	996,864,501
Basic earnings per share ( <i>HK cents per share</i> )	2.73	3.13

Diluted earnings per share for the six months ended 30 June 2024 and 2023 are equal to basic earnings per share as there are no potential dilative shares in issue during the periods.

## 9. DIVIDEND

The Board does not recommend the payment of an interim dividend for the 2024 Interim and 2023 Interim.

## 10. INVENTORIES

	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
	Finished good – Wines	416,549
Raw material – Grapes	187	–
	416,736	393,716

## 11. BIOLOGICAL ASSETS

Movements of biological assets, representing grapes growing on bearer plants, are summarised as follows:

	<b>30 June 2024 HK\$'000 (Unaudited)</b>	31 December 2023 HK\$'000 (Audited)
Beginning of the period/year	187	4,966
Increase due to cultivation	359	4,655
Exchange realignment arising from changes in fair value less costs to sell	–	(4,468)
Impairment on biological assets	–	(4,966)
Transfer of harvested grapes to inventories	(187)	–
	<hr/>	<hr/>
End of the period/year	<b>359</b>	187

The directors measured the fair value less costs to sell of grapes at harvest based on market prices as at or close to the harvest dates.

Cultivation costs incurred are accounted for as additions to the biological assets. All grapes are harvested annually April to May of each year. After the harvest, plantation works commence again on the farmland. The market approach is adopted to value the grapes (the "Agricultural Produce"). The fair values of the Agricultural Produce are calculated to be the product of the market price and estimated quantities of the Agricultural Produce after deducting reasonable costs related to selling.

The fair value measurement of the grapes is categorised as Level 3 fair value measurement within the three level fair value hierarchy as defined in HKFRS 13 Fair Value Measurement. Significant unobservable inputs are the market price for harvested grapes.

The fair value less costs to sell of the Group's biological assets measured at the end of the reporting period on a recurring basis, categorised as level 3 fair value measurement based on the inputs to the valuation techniques used. The valuation of grapes would be performed annually.

During the period ended 30 June 2024, there were no transfers between levels in the hierarchy.

The fair values were determined by an independent professionally valuer with reference to market determined prices, cultivation areas, species, growing conditions, and costs incurred.

## 11. BIOLOGICAL ASSETS (CONTINUED)

The fair values of agricultural produce are calculated based on the inputs to the valuation techniques used. The following table gives information about how the fair values of these biological assets are determined (in particular, the valuation techniques and inputs used), as well as the fair value hierarchy in which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

Type	Fair value hierarchy	Valuation technique	Significant unobservable input	Range	Relationship of unobservable inputs to fair value
31 December 2023					
Grapes	Level 3	Market approach with reference to market-determined prices with similar size, species and age	Market-determined price	Weighted average price of AUD500 (approximately HK\$2,660) per tonne	The higher of market-determined price, the higher of the fair value less costs to sell determined

## 12. TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	<b>30 June 2024 HK\$'000 (Unaudited)</b>	31 December 2023 HK\$'000 (Audited)
Trade receivables	<b>90,837</b>	53,399
Less: impairment allowance under expected credit loss ("ECL")	<b>(1,524)</b>	(1,524)
Trade receivables, net	<b>89,313</b>	51,875
Prepayments, deposits and other receivables	<b>473</b>	450
	<b>89,786</b>	52,325

**12. TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES**  
(Continued)

The ageing analysis of trade receivables net of allowance of ECL, presented based on invoice date, at the end of the reporting period is as follows:

	<b>30 June 2024 HK\$'000 (Unaudited)</b>	31 December 2023 HK\$'000 (Audited)
Within 30 days	58,708	51,839
31-60 days	28,800	27
61-90 days	1,793	5
Over 90 days	12	4
	<b>89,313</b>	<b>51,875</b>

The Group does not hold any collateral over its trade receivables.

The credit period allowed by the Group to its trade customers mainly ranges from 30 days to 120 days.

**13. TRADE PAYABLES, OTHER PAYABLES, ACCRUALS AND DEPOSITS RECEIVED**

	<b>As at 30 June 2024 HK\$'000 (Unaudited)</b>	As at 31 December 2023 HK\$'000 (Audited)
Trade payables	15,794	697
Other payables and accruals	2,591	1,443
Deposits received	240	498
	<b>2,831</b>	<b>1,941</b>
	<b>18,625</b>	<b>2,638</b>



**13. TRADE PAYABLES, OTHER PAYABLES, ACCRUALS AND DEPOSITS RECEIVED**  
(Continued)

Payment terms granted by suppliers are generally 30 to 45 days after the end of the month in which the relevant purchases are made. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

The following is an ageing analysis of trade payables, presented based on the invoice date, at the end of the reporting period:

	<b>As at 30 June 2024 HK\$'000 (Unaudited)</b>	As at 31 December 2023 HK\$'000 (Audited)
Within 30 days	15,768	444
31 – 60 days	26	253
61 – 90 days	–	–
Over 90 days	–	–
	<b>15,794</b>	<b>697</b>

**14. BORROWINGS**

	<b>As at 30 June 2024 HK\$'000 (Unaudited)</b>	As at 31 December 2023 HK\$'000 (Audited)
<b>Borrowings</b>		
Bank loans, secured	90,000	90,000
Non-financial institution loans, unsecured	16,670	35,630
	<b>106,670</b>	<b>125,630</b>

As at 30 June 2024, the facility agreements of bank loans contained repayment on demand clauses pursuant to which the banks could at their discretion demand repayment of the entire outstanding balances from the Group in the absence of any defaults.

#### 14. BORROWINGS (CONTINUED)

The following table presents the scheduled repayments set out in the loan agreements:

	<b>As at 30 June 2024 HK\$'000 (Unaudited)</b>	As at 31 December 2023 HK\$'000 (Audited)
The borrowings are repayable as follow:		
– Within one year	106,670	125,630
– After one year but within two years	–	–
– After two years but within five years	–	–
– More than five years	–	–
	<b>106,670</b>	<b>125,630</b>

The effective interest rate at the end of the reporting period is as follows:

	<b>As at 30 June 2024 HK\$'000 (Unaudited)</b>	As at 31 December 2023 HK\$'000 (Audited)
Bank loans and other borrowings	<b>5.34% to 8.00%</b>	5.99% to 8.00%

As at 30 June 2024, the Group had aggregate banking facilities of approximately HK\$90,000,000 (31 December 2023: approximately HK\$90,000,000), of which the available facilities were fully utilised amounting to HK\$90,000,000 (31 December 2023: approximately HK\$90,000,000). These banking facilities are secured by a floating charge on inventories.

As at 30 June 2024, the Group had aggregate loans from non-financial institutions of approximately HK\$16,670,000 including principal and interest (31 December 2023: HK\$35,630,000). These non-financial institutions are unsecured.

## 15. SHARE CAPITAL

	Nominal value per share	Number of shares	Nominal value <i>HK\$'000</i>
<b>Authorised share capital:</b>			
At 1 January 2023, 31 December 2023, 1 January 2024 and 30 June 2024	HK\$0.10	10,000,000,000	1,000,000
<b>Issued and fully paid:</b>			
At 1 January 2023	HK\$0.10	996,864,501	99,686
Subscription ( <i>note (i)</i> )	HK\$0.10	199,372,000	19,938
At 31 December 2023 and 1 January 2024	HK\$0.10	1,196,236,501	119,624
Subscription ( <i>note (ii)</i> )	HK\$0.10	236,832,000	23,683
At 30 June 2024	HK\$0.10	1,433,068,501	143,307

*Notes:*

- (i) On 22 November 2023, the Company issued 199,372,000 ordinary shares of HK\$0.10 per share to several subscribers based on the Subscription Agreements. The net proceeds from the Subscription are intended to be applied as general working capital and the repayment of other borrowings.
- (ii) On 28 June 2024, the Company issued 236,832,000 ordinary shares of HK\$0.10 per share to several subscribers based on the Subscription Agreements. The net proceeds from the Subscription are intended to be applied as general working capital and the repayment of borrowings.

All the new shares issued during the year rank *pari passu* with the existing shares in all respects.

## 16. CONNECTED AND RELATED PARTY TRANSACTIONS

### (a) Transactions with connected/related parties

The Group had the following significant transactions with the connected and related parties during the periods:

		<b>For the six months ended 30 June</b>	
		<b>2024 HK'000 (Unaudited)</b>	<b>2023 HK'000 (Unaudited)</b>
	<i>Notes</i>		
Lease rental paid to related companies	<i>i</i>	<b>1,008</b>	<b>612</b>

*Notes:*

- (i) Operating lease rentals were paid according to the terms of the rental agreements entered between the Group and the related companies owned by the spouse of Ms. Huang Wei, the executive director and the substantial shareholder of the Company.

### (b) Other transactions with related parties

#### *Compensation of key management personnel*

		<b>For the six months ended 30 June</b>	
		<b>2024 HK\$'000 (Unaudited)</b>	<b>2023 HK\$'000 (Unaudited)</b>
Short-term benefits		<b>445</b>	<b>435</b>
Post-employment benefits		<b>–</b>	<b>–</b>
		<b>445</b>	<b>435</b>

The remuneration of Directors and key management personnel was determined by the remuneration committee of the Company having regard to the performance of individuals and market trends.

# MANAGEMENT DISCUSSION AND ANALYSIS

The Board is pleased to announce the Group's interim results for the six months ended 30 June 2024 (the "2024 Interim").

## **Business Review**

The Group's principal activities during the 2024 Interim were (i) wine trading; (ii) production and sales of food products in Hong Kong.

### ***Wine Trading***

The Group's wine trading segment continued as the major revenue segment during the 2024 Interim. The Board believes the development of the wine trading business represents a good opportunity to further expand its distribution and wholesale channels and help diversify the Group's business. The Group's wines are mainly from various reputable vineyards and wineries from Australia, with a focus on premium quality wine as the major product. During the six months ended 30 June 2024, given the uncertainties surrounding the local market and the decline in consumer purchasing power, the wine trading operation has recorded a decrease in revenue to approximately HK\$218.8 million (2023 Interim: approximately HK\$249.1 million) with a segment profit of approximately HK\$45.2 million (2023 Interim: profit HK\$45.4 million).

However, the Group's gross profit margin raised from approximately 18.7% in the 2023 Interim to approximately 22.1% in the 2024 Interim due to the improvement of cost of sales as more discounts and product sale packages offered by the suppliers in order to maintain business relationship. Further, the Group is actively seek to expand the local markets by participating in various exhibitions, develop sales networks and agents in different regions, and make multiple sales channels through new retail formats.

### ***Food products operation***

During the 2024 Interim, the revenue from the food products operation accounted for approximately HK\$43,000 (2023 Interim: Nil). And this segment generated HK\$21,000 during 2024 Interim (2023 Interim: Nil). The Group will continue to monitor the market conditions and will actively seek potential food market opportunities.

## Financial Review

During the 2024 Interim, the Group's revenue amounted to approximately HK\$218.8 million which was decreased by approximately HK\$30.3 million as compared to 2023 Interim. The decrease was mainly due to the decrease in revenue from wine business from approximately HK\$249.1 million for the 2023 Interim to HK\$218.8 million for the 2024 Interim.

Cost of sales and inventories consumed mainly comprised cost of wines, vineyard costs and food materials. In line with the decrease in revenue, the cost of sales and inventories consumed decreased by approximately 15.8% from HK\$202.5 million for the 2023 Interim to HK\$170.5 million for the 2024 Interim.

Employee benefits expenses increased by approximately HK\$0.4 million, or approximately by 28.6% from approximately HK\$1.4 million for the 2023 Interim to approximately HK\$1.8 million for the 2024 Interim due to the increase in overall salary increment and increase staff cost for held events in various exhibitions and wine fair. The Group regularly reviews the work allocation of the staff to improve and maintain a high standard of service.

Administrative expenses mainly included advertising and promotion fee, depreciation of property, plant and equipment and right-of-use assets, legal and professional fee and other administrative expenses. The Group recorded increase in administrative expenses by approximately HK\$0.4 million, or approximately 11.8% from approximately HK\$3.4 million for the 2023 Interim to approximately HK\$3.8 million for the 2024 Interim due to increase in marketing expenses as a result of the Company's active participation in marketing activities.

Finance costs mainly included interest on bank borrowings and interest on lease liabilities. The Group recorded increase in finance costs by approximately HK\$1.1 million, or approximately 40.7% from approximately HK\$2.7 million for the 2023 Interim to approximately HK\$3.8 million for the 2024 Interim.



## **Outlook and Prospects**

Given the uncertainties surrounding the domestic and global economic outlooks, the Group will maintain a cautious operating strategy to sustain profitability and stable business operations. To this end, the Group will tightly manage expenses and improve the efficiency of its existing resources.

For brand development, the Group plans to consistently participate in various exhibitions and wine fairs. This will enable the Group to raise the profile of its products and brands within the industry, as well as directly engage with its target customer base. In 2024, the Group has harvested grapes and is producing around 55,000 liters of wine. This increased capacity will enable the Group to launch new brands, develop canned red wines, and carry out product upgrades. These initiatives will better cater to the evolving demands and preferences of diverse consumer segments. And for the food products operation, the Group intends to launch the high-quality drinking water products sourced from Muztag in the second half of the year and will continue monitoring the market conditions and proactively pursue potential opportunities for growth and expansion.

The Group will closely monitor and review the performance of its existing businesses. This will allow the Group to concentrate its resources on developing business opportunities with the greatest potential for growth and profitability.

## **Liquidity, Financial and Capital Resources**

### ***Capital structure***

The Group manages the capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The overall strategy of the Group remained unchanged from prior period.

The capital structure of the Group consists of borrowings net of, bank balances and cash, and equity attributable to owners of the Company, comprising issued share capital and reserves.

## ***Cash position***

As at 30 June 2024, the carrying amount of the Group's unpledged bank balances and cash was approximately HK\$3.5 million (31 December 2023: approximately HK\$3.2 million).

## ***Borrowings***

As at 30 June 2024, the carrying amount of the Group's borrowings was approximately HK\$106.7 million (31 December 2023: approximately HK\$125.6 million). The Group had aggregate banking facilities of approximately HK\$90.0 million (31 December 2023: HK\$90.0 million).

## ***Gearing ratio***

Gearing ratio is calculated as net debt (total borrowings and lease liabilities less bank balances and cash) divided by the total of net debt and total equity (excluding non-controlling interests). As at 30 June 2024, the gearing ratio of the Group was approximately 23.6% (31 December 2023: 33.8%).

## ***Exchange Rate Exposure***

The Group's business operations are denominated mainly in Hong Kong dollars ("HK\$"). Other than interests in a wholly owned subsidiary are denominated in Australian Dollars ("AUD"), the Group's assets and liabilities are mainly denominated in HK\$ and AUD. Currently, the Group has not entered into agreements or purchased instruments to hedge the Group's exchange rate risks. Any material fluctuation in the exchange rates of HK\$ or AUD may have an impact on the financial results of the Group.

The management considers that the foreign exchange risk with respect to AUD is not significant. The Group manages foreign currency risk by closely monitoring the movement of the foreign currency rates.

## **Capital Expenditure and Commitments**

Saved as disclosed above, there was no significant capital commitments for the Group as at 30 June 2024.

## **Charges on Assets**

As at 30 June 2024, the Group had aggregate banking facilities utilised of approximately HK\$90.0 million (31 December 2023: HK\$90.0 million), of which the available facilities are secured by limited guarantee from the Company, floating charge on inventories.

## **Contingent Liabilities**

Save as disclosed elsewhere in the Interim Financial Statements, there were no other significant contingent liabilities of the Group as at 30 June 2024.

## **Dividend**

Details of the dividend are set out in the Note 9 to the Interim Financial Statements.

## **Employees Numbers and Remuneration Policy**

As at 30 June 2024, the Group had around 15 employees. In order to attract and retain high quality staff and to enable smooth operation within the Group, the Group offered competitive remuneration packages (with reference to market conditions and individual qualifications and experience) and various in-house training courses. The remuneration packages are subject to review on a regular basis.

## **Significant Investment Held, Material Acquisitions or Disposals of Subsidiaries and Affiliated Companies, and Plans for Material Investments or Capital Assets**

Saved as the above, the Group did not have any significant investments held, material acquisitions or disposals of subsidiaries and affiliated companies during the 2024 Interim.

## **Events After Reporting Period**

Saved as the above, there is no significant event subsequent to 30 June 2024 and up to the date of this report by the Group.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2024, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO") which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to Rule 5.46 to Rule 5.67 of the GEM Listing Rules relating to securities transactions by Directors, to be notified to the Company and the Stock Exchange were as follows:

### Long positions in shares and underlying shares of the Company

Name of Director	Capacity/nature of interest	Total number of ordinary shares held	Approximate percentage of interest
Ms. Huang Wei	Beneficial owner	199,012,800	13.89%

Saved as disclosed above, as at 30 June 2024, none of the Directors and the chief executives of the Company had, or was deemed to have, any interests or short positions in any shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be 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 were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 to Rule 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

## **SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY**

So far as the Directors are aware, as at 30 June 2024, there are no person other than the Directors and chief executives of the Company whose have interests and short positions in the shares, underlying shares or debentures of the Company which have to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO, and who was expected, directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company.

## **DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

Other than as disclosed under the sections "Directors' and chief executives' interests and short positions in the shares, underlying shares or debentures of the Company and its associated corporations" above, at no time during the six months ended 30 June 2024 was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executive of the Company or their respective associates (as defined in the GEM Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

## **ISSUANCE OF SHARES**

On 18 June 2024, the Company entered into the Subscription Agreements with the several subscribers (the "Subscription"), pursuant to which the Company conditionally agreed to issue and the subscribers conditionally agreed to subscribe an aggregate of 236,832,000 Subscription Shares at the Issue Price of HK\$0.10 per Subscription Share. The Subscription has been completed on 28 June 2024. The gross proceeds of the Subscription was approximately HK\$23.68 million, and the net proceeds of the Subscription, after the deduction of the related expenses, was approximately HK\$23.62 million. The planned use of proceeds was solely for the general working capital and the repayment of borrowings. As at 30 June 2024, HK\$23.62 million Proceeds were used. There was no difference between the proposed use of Proceeds and the actual use of Proceeds.

For the details of the Subscription above-mentioned and the meanings of relevant defined terms, please refer to the announcements of the Company dated 18 June 2024 and 28 June 2024.

## **PURCHASE, SALE OR REDEMPTION OF THE SHARES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Shares during the six months ended 30 June 2024.

## **DIRECTORS' INTERESTS IN COMPETING BUSINESS**

None of the Directors and their respective associates had an interest in any business which competed or was likely to compete, either directly or indirectly, with the businesses of the Group or had any other conflicts with the Group during the six months ended 30 June 2024.

## **CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted a code of conduct regarding securities transactions by Directors on terms which are the same as the required standard of dealings set out in Rule 5.48 to Rule 5.67 of the GEM Listing Rules. The Company periodically issues notices to its Directors reminding them of the general prohibition on dealing in the Company's listed securities during the blackout periods before the publication of announcements of financial results. The Company has confirmed, having made specific enquiry of the Directors, that all the Directors have complied with the required standards of dealings throughout the period under review. The Company was not aware of any noncompliance during the six months ended 30 June 2024.

## **CODE ON CORPORATE GOVERNANCE PRACTICES**

The Board considers that the Company has complied with the code provisions in the Corporate Governance Code (the "CG Code") as set out in Appendix 15 of the GEM Listing Rules during the six months ended 30 June 2024.



## AUDIT COMMITTEE

The Company established the Audit Committee pursuant to a resolution of the Directors passed on 25 June 2011 and 1st revised on 30 December 2015 and 2nd revised on 20 December 2018 with written terms of reference in compliance with Rule 5.28 and Rule 5.29 of the GEM Listing Rules. The written terms of reference of the Audit Committee was adopted in compliance with paragraph C3.3 of the CG Code as set out in Appendix 15 to the GEM Listing Rules. The primary duties of the Audit Committee, among other things, are to assist the Board in overseeing and reviewing (i) the effectiveness of the Group's risk management and internal control systems and regulatory compliance of the Group; (ii) the integrity of the Company's financial statements and application of accounting standards and significant judgements contained in the financial statements; and (iii) the relationship with the external auditors by reference to the work performed by the auditors, their fees and terms of engagement, and make recommendation to the Board on the appointment, re-appointment and removal of external auditors.

As at 30 June 2024, the Audit Committee consists of three Independent Non-executive Directors, namely Mr. Wu Chi King, Mr. So Yat Chuen and Ms. Cheng Wai, Iris. Mr. Wu Chi King is the chairman of the Audit Committee.

The Audit Committee had reviewed the unaudited Interim Financial Statements for the 2024 Interim and is of the opinion that the Interim Financial Statements comply with the applicable accounting standards, the GEM Listing Rules and that adequate disclosures have been made.

By Order of the Board  
**Palinda Group Holdings Limited**  
**Huang Wei**  
*Chairlady and executive Director*

Hong Kong, 16 August 2024

*As at the date of this report, the Board of the Company comprises Ms. Huang Wei and Mr. Dou Sheng as executive Directors, and Mr. Wu Chi King, Mr. So Yat Chuen and Ms. Cheng Wai, Iris, as independent non-executive Directors.*