



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

2025 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

Ms. Yu Bik Chun

Company Secretary

Ms. Yu Bik Chun

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

CCTH CPA Limited

Certified Public Accountants

Principal Bankers

Bank of China (Hong Kong) Limited

Industrial and Commercial Bank of

China (Asia) Limited

Shanghai Commercial Bank Limited

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
Hungghom, 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

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 2025 (the “2025 Interim”), together with the unaudited comparative figures for the corresponding period of six months ended 30 June 2024 (the “2024 Interim”), as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		For the six months ended 30 June	
	Notes	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Revenue	4	64,368	218,804
Cost of sales	5	(55,795)	(170,466)
Gross profit		8,573	48,338
Other income		100	176
Other gains		79	–
Employee benefits expenses		(2,081)	(1,847)
Administrative expenses		(1,812)	(3,758)
Finance costs	6	(3,462)	(3,774)
Profit before tax	5	1,397	39,135
Income tax expense	7	(365)	(6,317)
Profit for the period		1,032	32,818
Profit for the period attributable to:			
Owners of the Company		1,032	32,818
Non-controlling interest		–	–
		1,032	32,818

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

For the six months ended 30 June 2025

		For the six months ended 30 June	
	Note	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Profit for the period		1,032	32,818
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		–	150
Other comprehensive income for the period		–	150
Total comprehensive income for the period		1,032	32,968
Total comprehensive income for the period attributable to:			
Owners of the Company		1,032	32,968
Non-controlling interest		–	–
		1,032	32,968
Earnings per share	8		
– Basic and diluted (HK cents)		0.05	2.73

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
	Notes		
Non-current assets			
Property, plant and equipment		33	28
Right-of-use assets		53	412
		86	440
Current assets			
Inventories	10	571,071	561,570
Biological assets	11	–	–
Trade receivables	12	7,725	10,270
Prepayments, deposits and other receivables	12	224	352
Income tax recoverable		233	240
Bank balances and cash		2,613	7,298
		581,866	579,730

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 30 June 2025

		As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
	Notes		
Current Liabilities			
Trade payables	13	17,607	11,606
Other payables, accruals and deposit received	13	7,464	12,718
Borrowings	14	116,894	116,894
Income tax payable		365	—
Lease liabilities	15	54	403
		142,384	141,621
Net current assets		439,482	438,109
Total assets less current liabilities		439,568	438,549
Non-current liabilities			
Lease liabilities	15	—	13
		—	13
Net assets		439,568	438,536
Capital and reserves			
Share capital	16	190,780	190,780
Reserves		248,788	247,756
Equity attributable to owners of the Company		439,568	438,536
Non-controlling interest		—	—
Total equity		439,568	438,536

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the Company							Non-controlling interest	Total equity
	Share capital HK\$'000	Share premium HK\$'000 (Note (i))	Capital reserve HK\$'000 (Note (ii))	Foreign currency translation reserve HK\$'000 (Note (iii))	Accumulated losses HK\$'000	Sub-total HK\$'000		HK\$'000	HK\$'000
Balance at 1 January 2025 (Audited)	190,780	681,713	106	–	(434,063)	438,536	–		438,536
Profit and total comprehensive income for the period	–	–	–	–	1,032	1,032	–		1,032
Balance as at 30 June 2025 (Unaudited)	190,780	681,713	106	–	(433,031)	439,568	–		439,568
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 translation 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 shares	–	(59)	–	–	–	(59)	–		(59)
Balance as at 30 June 2024 (Unaudited)	143,307	681,901	106	(10)	(402,545)	422,759	–		422,759

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

For the six months ended 30 June 2025

	For the six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Net cash used in operating activities	(4,531)	(6,001)
Net cash (used in)/generated from investing activities	(103)	675
Net cash (used in)/generated from financing activities	(51)	5,417
Net (decrease)/increase in cash and cash equivalents	(4,685)	91
Cash and cash equivalents at the beginning of the period	7,298	3,218
Effect of foreign exchange rate changes	—	150
Cash and cash equivalent at the end of the period	2,613	3,459
Analysis of cash and cash equivalents at the end of the period		
Bank balances and cash	2,613	3,459

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. GENERAL INFORMATION

Palinda Group Holdings Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability on 10 February 2011 under the Companies Law (2010 Revision) of the Cayman Islands. The shares of the Company have been listed on GEM of The Stock Exchange of Hong Kong Limited since 8 July 2011. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, 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 is investment holding. The principal activities of its subsidiaries (together with the Company referred to as the “Group”) are sales and distribution of wine products, ancillary wines-related products, and sales and distribution of food products.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS 34”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited.

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 consolidated financial statements for the year ended 31 December 2024 (the “2024 Annual Report”). The Group has applied new and amendments to HKFRS Accounting Standards which are mandatorily effective for the Group’s annual period beginning or 1 January 2025 for the preparation of the Group’s condensed consolidated financial statements. The application of the amendments to HKFRS Accounting Standards in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements. 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 2024 Annual Report.

The condensed consolidated financial statements have been prepared on historical cost basis.

The condensed consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company and all values are rounded to the nearest thousand (HK\$’000) unless otherwise indicated.

2. BASIS OF PREPARATION (CONTINUED)

Going concern

During the six months ended 30 June 2025, the Group recorded net cash outflows from operating activities of approximately HK\$4,531,000, and as of that date, the Group's cash at bank and on hand amounted to HK\$2,613,000 and the Group's borrowings and interest payables amounted to approximately HK\$116,894,000 and HK\$5,983,000 respectively, of which the Group's bank borrowing and the corresponding interest payables amounted to HK\$90,000,000 and HK\$ HK\$5,352,000 respectively were overdue, although the overdue bank borrowing was secured by a floating charge on the Group's inventories of HK\$300,000,000 and a limited corporate guarantee by the Company.

The above conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and hence, its ability to realise its assets and discharge its liabilities in the normal course of business.

In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity and its available sources of financing in assessing whether the Group will have sufficient funds to fulfil its financial obligations and continue as a going concern. The following plans and measures are formulated to mitigate the liquidity pressure and to improve its cash flows:

- i. The Group is conducting active negotiation with the relevant bank for deferring repayments of the bank borrowing and interest payables and extension of the banking facility agreement; and
- ii. The Group will continue to improve the operating efficiency by implementing measures to tighten cost controls over various operating expenses in order to enhance its profitability and to improve the cash flows from its operation in the future.

The directors of the Company have also reviewed the Group's cash flow forecast prepared by management and are of the opinion that, taking into account the above-mentioned status, plans and measures, the Group will have sufficient funds to maintain its operations and to meet its financial obligations as and when they fall due within the next 12 months from the date of approval of these condensed consolidated financial statements. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the condensed consolidated financial statements on a going concern basis. Material uncertainty regarding the Group's ability to operate as a going concern exists as to whether management of the Group will be able to achieve its plans and measures as described above. Should the Group be unable to operate as a going concern, adjustments would have to be made to reduce the carrying amounts of the Group's assets to their net realisable amounts, to provide for further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the condensed consolidated financial statements.

3. CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of the Group's condensed consolidated financial statements requires the 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 the condensed consolidated financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the 2024 Annual Report.

4. REVENUE AND SEGMENT INFORMATION

Information reported by the board of directors, the chief operating decision maker (the "CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods sold 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.

During the prior period, the Group expanded the business scope within the food production operation engaging in the sales and distribution of drinking water products. Accordingly, the Group updated its internal reporting structure to include the above changes in the food products operation reportable and operating segment.

Specifically, the Group's reportable and operating segments under HKFRS 8 are as follows:

- | | |
|-------------------------|--|
| Wine business | – the sales and distribution of wine products and ancillary wines-related products |
| Food products operation | – the sales and distribution of food products, and the sales and distribution of drinking water products |

Segment revenue and results

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent the profit earned by each segment without allocation of certain other income, certain other gains and losses, net, certain administrative costs, certain employee benefits expenses and finance costs. This is the measure reported by the CODM for the 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 revenue and results by reportable and operating segments.

For the six months ended 30 June

	Wine business		Food products operation		Total	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Segment revenue	63,853	218,761	515	43	64,368	218,804
Segment profit	8,440	45,237	133	21	8,573	45,258
Interest income					1	–
Unallocated corporate income and expenses, net					(3,715)	(2,349)
Finance costs					(3,462)	(3,774)
Profit before tax					1,397	39,135

Segment assets and liabilities

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

	Wine business		Food products operation		Unallocated		Total	
	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
ASSETS								
Segment assets	581,158	579,366	19	384	–	–	581,177	579,750
Unallocated corporate assets	–	–	–	–	775	420	775	420
Consolidated total assets							581,952	580,170
LIABILITIES								
Segment liabilities	118,234	117,901	33	3	–	–	118,267	117,904
Unallocated corporate liabilities	–	–	–	–	24,117	23,730	24,117	23,730
Consolidated total liabilities							142,384	141,634

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities (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 were 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	
	2025 HK'000 (Unaudited)	2024 HK'000 (Unaudited)
Hong Kong	64,368	218,804

Revenue of HK\$39,677,000 (six months ended 30 June 2024: HK\$128,606,000) are derived from four (six months ended 30 June 2024: four) 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 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
Hong Kong	86	440
Australia	—	—
	86	440

5. PROFIT BEFORE TAX

	For the six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Profit before tax has been arrived at after charging the following items:		
Other gains		
Gain on disposal of subsidiaries	79	—
Employee benefits expenses (including directors' and chief executive's emoluments)		
Salaries, wages and other benefits	2,011	1,782
Contributions to retirement benefits schemes		
Defined contribution plan	70	65
	2,081	1,847
Auditor's remunerations	150	150
Cost of inventories recognised as expense (including impairment loss on inventories)	55,795	170,466
Depreciation of property, plant and equipment	8	9
Depreciation of right-of-use of assets	40	927
Expenses relating to short-term leases	2	32

6. FINANCE COSTS

	For the six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Interest on borrowings	3,460	3,742
Interest on lease liabilities	2	32
	3,462	3,774

7. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Hong Kong Profits Tax:		
Current period provision	365	6,317

Pursuant to the local rules and regulation of the Cayman Islands and the British Virgin Islands (the "BVI"), the Group is not subject to any income tax in the Cayman Islands and the BVI.

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 2025 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	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Profit		
Profit for the period attributable to owners of the Company, used in the basic and diluted earnings per share calculations	1,032	32,818

8. EARNINGS PER SHARE (CONTINUED)

	As at 30 June 2025 (Unaudited)	As at 30 June 2024 (Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	1,907,798,274	1,200,140,235
Basic earnings per share (<i>HK cents per share</i>)	0.05	2.73

The calculation of basic and diluted earnings per share for the six months ended 30 June 2025 and 2024 is based on the profit for the period attributable to owners of the Company and the weighted average number of ordinary shares.

Diluted earnings per share for the six months ended 30 June 2025 and 2024 are the same as the basic earnings per share as there were no potential ordinary shares in issue for both periods.

9. DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

10. INVENTORIES

	As at 30 June 2025 <i>HK\$'000</i> (Unaudited)	As at 31 December 2024 <i>HK\$'000</i> (Audited)
Finished good (bottles of wines)	571,071	561,570

As at 30 June 2025, the inventories to the extent of HK\$300,000,000 (31 December 2024: HK\$300,000,000) have been pledged as security for the Group's bank loans.

11. BIOLOGICAL ASSETS

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

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Beginning of the period/year	–	187
Disposal of subsidiaries	–	(197)
Increase due to cultivation	–	2,786
Transfer of harvested grapes to inventories	–	(187)
Loss arising from changes in fair value less costs to sell	–	(2,589)
End of the period/year	–	–

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.

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

On 16 December 2024, the Group's biological assets were disposed of through disposal of subsidiaries.

12. TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Trade receivables	8,849	11,394
Less: impairment allowance under expected credit loss ("ECL")	(1,124)	(1,124)
Trade receivables, net	7,725	10,270
Prepayments	207	63
Deposits and other receivables	17	289
	7,949	10,622

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:

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Within 30 days	7,725	3,579
31-60 days	–	5,922
61-90 days	–	–
Over 90 days	–	769
	7,725	10,270

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

The credit period allows credit period of 30 days to 120 days to its customers.

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

	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
Trade payables	17,607	11,606
Other payables and accruals	1,261	8,765
Interest payables	5,983	3,175
Deposits received	220	778
	7,464	12,718
	25,071	24,324

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:

	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
Within 30 days	17,607	215
31 – 60 days	–	6,503
61 – 90 days	–	150
Over 90 days	–	4,738
	17,607	11,606

14. BORROWINGS

	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
Borrowings		
Bank loans, secured	90,000	90,000
Non-financial institution loans, unsecured	26,894	26,894
	116,894	116,894

As at 30 June 2025 and 31 December 2024, the facility agreement of the bank loan contained repayment on demand clause pursuant to which the bank could at the discretion, demand for repayment of the entire outstanding balances from the Group in the absence of any defaults. The whole balance is therefore classified as current liabilities.

The bank loan is interest-bearing at prime rate per annum (31 December 2024: prime rate per annum) as at 30 June 2025.

As at 30 June 2025, the facility agreements of non-financial institution loans are repayable within one year, and interest-bearing with fixed interest rate ranged from 6% to 8% (31 December 2024: fixed interest rate ranged from 6% to 8%).

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

	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
The borrowings are repayable as follows:		
– On demand or within one year	116,894	116,894

14. BORROWINGS (CONTINUED)

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

	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
Borrowings	6.07% to 8.00%	6.07% to 8.00%

As at 30 June 2025, the Group had aggregate banking facilities of approximately HK\$90,000,000 (31 December 2024: HK\$90,000,000), of which the available facilities were 100% (31 December 2024: 100%) utilised amounting to HK\$90,000,000 (31 December 2024: HK\$90,000,000).

As at 30 June 2025, the Group had aggregate loans from non-financial institutions in a total principal amount of approximately HK\$26,894,000 (31 December 2024: HK\$26,894,000). These loans from non-financial institutions are unsecured.

As at 30 June 2025, the Group's bank borrowing and the corresponding interest payables amounted to HK\$90,000,000 (31 December 2024: HK\$90,000,000) and HK\$5,352,000 (31 December 2024: HK\$2,715,000) respectively were overdue for repayment. The bank borrowing was secured by (a) a floating charge on inventories of HK\$300,000,000 and (b) a limited corporate guarantee by the Company (31 December 2024: same).

15. LEASE LIABILITIES

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Lease liabilities payables:		
Within one year	54	403
Within a period of more than one year but not more than two years	—	13
Within a period of more than two years but not more than five years	—	—
	54	416
Less: amount due for settlement within 12 months shown under current liabilities	(54)	(403)
Amount due for settlement within 12 months shown under non-current liabilities	—	13

The weighted average incremental borrowing rate applied to lease liabilities was 2.50% per annum during the six months ended 30 June 2025 (year ended 31 December 2024: ranged from 5.62% to 6.22% per annum).

16. SHARE CAPITAL

	Nominal value per share	Number of shares	Nominal value HK\$'000
Authorised share capital:			
At 1 January 2024, 31 December 2024, 1 January 2025 and 30 June 2025	HK\$0.10	10,000,000,000	1,000,000
Issued and fully paid:			
At 1 January 2024		1,196,236,501	119,624
Subscription (<i>note (i)</i>)	HK\$0.10	236,832,000	23,683
Right issue (<i>note (ii)</i>)	HK\$0.10	474,729,773	47,473
At 31 December 2024, 1 January 2025 and 30 June 2025		1,907,798,274	190,780

Notes:

- (i) On 28 June 2024, the Company issued 236,832,000 ordinary shares of HK\$0.1 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.
- (ii) On 21 November 2024, the Company raised proceeds approximately HK\$47,482,000, net of expenses, by way of rights issue of 474,729,773 rights shares on the basis of one rights share for every two shares then held at the subscription price of HK\$0.1 per share.

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

17. DISPOSAL OF SUBSIDIARIES

For the six months ended 30 June 2025

(i) *Happy Profit Global Limited and its subsidiary ("Happy Profit Group")*

On 30 May 2025, Arrow Vision Limited ("Arrow Vision"), a wholly-owned subsidiary of the Group, disposed of its entire equity interest in Happy Profit Group at an aggregate cash consideration of US\$1, which has been fully received by the Group as at 30 June 2025. The disposal of Happy Profit Group was completed on 30 May 2025 and upon completion of the disposal, Happy Profit Group ceased to be the subsidiaries of the Group.

Analysis of assets and liabilities over which the control was lost:

	Happy Profit Group HK\$'000
Bank balances and cash	91
Tax recoverable	6
Amount due from the subsidiary	650
Accruals and other payables	(176)
Amount due to the holding company	(48)
Net assets disposed of	523

Analysis of gain on disposal:

Cash consideration	–
Net assets disposed of	(523)
Amount due from the Happy Profit Group	602
Gain on disposal	79

Analysis of net cash outflow from disposal:

Cash consideration received	–
Less: bank balances and cash disposed of	(91)
Net cash outflow from disposal	(91)

18. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the condensed consolidated financial statements, the Group had the following transactions with related parties:

(a) Transactions with related parties

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

		For the six months ended 30 June	
		2025 HK'000 (Unaudited)	2024 HK'000 (Unaudited)
	<i>Note</i>		
Rental expenses paid to related companies	<i>i</i>	468	1,008

Note:

- (i) Operating lease rentals were paid in accordance with 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) Compensation of key management personnel

The remuneration of directors and other members of key management during the periods are as follows:

		For the six months ended 30 June	
		2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Salaries and other benefits		432	432
Contribution to retirement benefits schemes – defined contribution plan		13	13
		445	445

MANAGEMENT DISCUSSION AND ANALYSIS

The Board is pleased to announce the Group's interim results for the six months ended 30 June 2025 (the "2025 Interim").

Business Review

The Group's principal activities during the 2025 Interim were (i) sales and distribution of wine products, ancillary wines-related products; (ii) sales and distribution of food products.

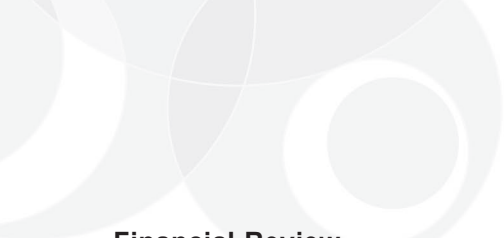
Wine Business

The Group's wine business segment continued as the major revenue segment during the 2025 Interim. The Board believes the development of the wine 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 2025, given the poor market environment and weak consumer demand from the customer base, the wine trading operation has recorded a decrease in revenue to approximately HK\$63.9 million (2024 Interim: approximately HK\$218.8 million) with a segment profit of approximately HK\$8.4 million (2024 Interim: profit HK\$45.2 million).

The Group's gross profit margin decreased from approximately 22.1% in the 2024 Interim to approximately 13.2% in the 2025 Interim due to the increase of cost of sales. 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 2025 Interim, the revenue from the food products operation accounted for approximately HK\$515,000 (2024 Interim: HK\$43,000). And this segment generated HK\$133,000 during 2025 Interim (2024 Interim: HK\$21,000). The Group will continue to monitor the market conditions and will actively seek potential food market opportunities.



Financial Review

During the 2025 Interim, the Group's revenue amounted to approximately HK\$64.4 million which was decreased by approximately HK\$154.4 million as compared to 2024 Interim. The decrease was mainly due to the decrease in revenue from wine business from approximately HK\$218.8 million for the 2024 Interim to HK\$63.9 million for the 2025 Interim.

Cost of sales and inventories consumed mainly comprised cost of wines and food materials. In line with the decrease in revenue, the cost of sales and inventories consumed decreased by approximately 67.3% from HK\$170.5 million for the 2024 Interim to HK\$55.8 million for the 2025 Interim.

Employee benefits expenses increased by approximately HK\$0.2 million, or approximately by 12.7% from approximately HK\$1.8 million for the 2024 Interim to approximately HK\$2.1 million for the 2025 Interim due to 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 decrease in administrative expenses by approximately HK\$1.9 million, or approximately 51.8% from approximately HK\$3.8 million for the 2024 Interim to approximately HK\$1.8 million for the 2025 Interim due to decrease of advertising and promotion expenses and decrease of depreciation of right-of-use assets.

Finance costs mainly included interest on bank borrowings and interest on lease liabilities. The Group recorded decrease in finance costs by approximately HK\$0.3 million, or approximately 8.3% from approximately HK\$3.8 million for the 2024 Interim to approximately HK\$3.5 million for the 2025 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, control the inventory and improve the efficiency of its existing resources.

For brand development, the Group 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. And for the food products operation, the Group keep promoting the high-quality drinking water products sourced from Muztag 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 and lease liabilities, 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 2025, the carrying amount of the Group's unpledged bank balances and cash was approximately HK\$2.6 million (31 December 2024: approximately HK\$7.3 million).

Borrowings

As at 30 June 2025, the carrying amount of the Group's borrowings was approximately HK\$116.9 million (31 December 2024: approximately HK\$116.9 million). The Group had aggregate banking facilities of approximately HK\$90.0 million (31 December 2024: 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 2025, the gearing ratio of the Group was approximately 26% (31 December 2024: 25%).

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 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 2025.

Charges on Assets

As at 30 June 2025, the Group had aggregate banking facilities utilised of approximately HK\$90.0 million (31 December 2024: 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 2025.

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 2025, 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.

Use of Proceeds for Share Placings

- (i) On 5 July 2022, an issuance of 293,288,167 Rights Shares to Qualifying Shareholders and the initial intended use of net proceeds and utilised net proceeds as at 31 December 2023 are as follow:

	Initial Allocation HK\$'000	Utilised net proceeds as at 31 December 2023 HK\$'000
Repayment of loan and other payables	18,400	18,400
Business development expenses	4,000	—
– 5 wine tasting events	—	1,667
– 7 cultural exchange activities sponsoring	—	2,333
Working capital	3,500	—
– administrative expenses	—	655
– legal and professional fee	—	435
– finance costs	—	2,410
	25,900	25,900

- (ii) On 28 June 2024, an issue of new shares under subscription agreements and net proceeds was approximately HK\$23.6 million, was applied on repayment of borrowings and general working capital as at 31 December 2024.

- (iii) On 21 November 2024, the Company raised proceeds approximately HK\$47,482,000, net of expenses, by way of rights issue of 474,729,773 rights shares on the basis of one rights share for every two shares and the initial intended use of net proceeds and utilised net proceeds as at 31 December 2024 are as follow:

	Initial Allocation <i>HK\$'000</i>	Actual use of proceeds up to 31 December 2024 <i>HK\$'000</i>
Repayment of loan and other payables	40,500	40,500
Working capital	6,982	6,982
	<u>47,482</u>	<u>47,482</u>

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 2025 Interim.

Events After Reporting Period

Saved as the above, there is no significant event subsequent to 30 June 2025 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 2025, 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	499,012,800	26.16%

Saved as disclosed above, as at 30 June 2025, 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.



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 2025, 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 2025 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.

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 2025.

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 2025.

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 2025.

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 C1 of the GEM Listing Rules during the six months ended 30 June 2025.

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 D3.3 of the CG Code as set out in Appendix C1 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 2025, 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 2025 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, 15 August 2025

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.