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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)

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

On 13 November 2023 (after trading hours), the Company and the Subscribers (each being an Independent Third Party) entered into the Subscription Agreements, pursuant to which the Subscribers have conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 199,372,000 Subscription Shares at the Subscription Price of HK\$0.10 per Subscription Share. The Subscription is subject to the listing of and permission to deal in the Subscription Shares to the respective Subscribers being granted by the Listing Committee.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the date of Completion, the 199,372,000 Subscription Shares represent approximately 20% of the existing issued share capital of the Company as at the date of this announcement and approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the 199,372,000 Subscription Shares, subject to completion of the Subscription.

The gross proceeds raised from the Subscription will be approximately HK\$19.94 million, and the net proceeds, after deduction of all relevant expenses, will be approximately HK\$19.86 million, which are intended to be used for the Group's general working capital and the repayment of other borrowing.

As completion of the Subscription is subject to the fulfilment of the conditions precedent set out in the Subscription Agreements, the transactions contemplated under each of the Subscription Agreements may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

THE SUBSCRIPTION

On 13 November 2023 (after trading hours), the Company and the Subscribers (each being an Independent Third Party) entered into the Subscription Agreements, pursuant to which the Subscribers have conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 199,372,000 Subscription Shares at the Subscription Price of HK\$0.10 per Subscription Share. The Subscription is subject to the listing of and permission to deal in the Subscription Shares to the respective Subscribers being granted by the Listing Committee.

PRINCIPAL TERMS OF THE SUBSCRIPTION AGREEMENTS

Subscription Agreement A

The principal terms of Subscription Agreement A are set out below.

Date: 13 November 2023

Parties: the Company as the issuer; and
Subscriber A as the subscriber

Pursuant to the terms of Subscription Agreement A, Subscriber A will subscribe for a total of 44,859,000 Subscription Shares at the Subscription Price.

Subscription Agreement B

The principal terms of Subscription Agreement B are set out below.

Date: 13 November 2023

Parties: the Company as the issuer; and
Subscriber B as the subscriber

Pursuant to the terms of Subscription Agreement B, Subscriber B will subscribe for a total of 44,859,000 Subscription Shares at the Subscription Price.

Subscription Agreement C

The principal terms of Subscription Agreement C are set out below.

Date: 13 November 2023

Parties: the Company as the issuer; and
Subscriber C as the subscriber

Pursuant to the terms of Subscription Agreement C, Subscriber C will subscribe for a total of 44,859,000 Subscription Shares at the Subscription Price.

Subscription Agreement D

The principal terms of Subscription Agreement D are set out below.

Date: 13 November 2023

Parties: the Company as the issuer; and
Subscriber D as the subscriber

Pursuant to the terms of Subscription Agreement D, Subscriber D will subscribe for a total of 9,969,000 Subscription Shares at the Subscription Price.

Subscription Agreement E

The principal terms of Subscription Agreement E are set out below.

Date: 13 November 2023

Parties: the Company as the issuer; and
Subscriber E as the subscriber

Pursuant to the terms of Subscription Agreement E, Subscriber E will subscribe for a total of 29,905,000 Subscription Shares at the Subscription Price.

Subscription Agreement F

The principal terms of Subscription Agreement F are set out below.

Date: 13 November 2023

Parties: the Company as the issuer; and
Subscriber F as the subscriber

Pursuant to the terms of Subscription Agreement F, Subscriber F will subscribe for a total of 24,921,000 Subscription Shares at the Subscription Price.

The Subscription Shares

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the date of Completion, the 199,372,000 Subscription Shares represent approximately 20.00% of the existing issued share capital of the Company as at the date of this announcement and approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the 199,372,000 Subscription Shares, subject to completion of the Subscription.

The aggregate nominal value of all the Subscription Shares is HK\$19,937,200, and the market value of all the Subscription Shares is approximately HK\$19,937,200 based on the closing price of HK\$0.1 per Share as quoted on the Stock Exchange on the date of the Subscription Agreements.

The Subscription Price

The Subscription Price represents:

- (1) no discount to the closing price of HK\$0.10 per Share as quoted on the Stock Exchange on 13 November 2023, being the date of the Subscription Agreements; and
- (2) a discount of approximately 6.8% to the average closing prices of HK\$0.1068 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreements.

The Subscription Price was arrived at after arm's length negotiations between the Company and each of the Subscribers with reference to the market condition and the prevailing market price of the Shares. The Directors consider that the Subscription Price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

The net Subscription Price, after deduction of relevant expenses, will be approximately HK\$0.09962 per Subscription Share.

Condition precedent to the respective Subscription Agreements

Completion of the respective Subscription Agreements is conditional, among other things, upon the listing of and permission to deal in the Subscription Shares to the respective Subscribers being granted by the Listing Committee.

If the aforesaid condition is not fulfilled on or prior to 30 November 2023, or such later date as may be agreed in writing between the Company and the respective Subscribers, the obligations of the Company and the Subscribers under the respective Subscription Agreement shall terminate and neither of the parties shall have any claim against the others for costs, damages, compensation or otherwise in respect of the Subscription.

Completion

Completion of each of the Subscription Agreements will take place on the second Business Day after the date on which the aforesaid condition is satisfied or such later time and/or date as the Company and the respective Subscribers may agree in writing.

Ranking of Subscription Shares

The Subscription Shares, when fully paid and allotted and issued, shall be duly authorised and shall rank *pari passu* in all respects with all other existing Shares outstanding on the date of Completion and be entitled to all dividends and distributions on the record date for which falls on a date on or after the date of the issue.

General Mandate to issue the Subscription Shares

The Subscription Shares will be allotted and issued pursuant to the General Mandate and the Subscription is not subject to Shareholders' approval. The Directors are authorised to allot, issue or otherwise deal with up to 199,372,000 new Shares under the General Mandate. As at the date of this announcement, no new Shares have been issued or agreed to be issued under the General Mandate. Accordingly, 199,372,900 Shares remains available for allotment and issuance under the General Mandate which is sufficient for the issue of the Subscription Shares.

Application for listing

An application will be made to the Listing Committee for the granting of the approval for the listing of, and permission to deal in, the Subscription Shares.

INFORMATION OF THE SUBSCRIBERS

Five of the Subscribers is a corporate entity and the remaining one of the Subscribers is a natural person in Hong Kong. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of the Subscribers is an Independent Third Party.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any fund-raising activity in the 12 months immediately preceding the date of this announcement.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY FOLLOWING COMPLETION OF THE SUBSCRIPTION

	As at the date of this announcement		Immediately after completion of the Subscription	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Non-public Shareholders				
Huang Wei	171,244,800	17.18	171,244,800	14.32
<i>Subtotal</i>	171,244,800	17.18	171,244,800	14.32
Public Shareholders				
The Subscribers:				
– Subscriber A	200,400	0.02	45,059,400	3.77
– Subscriber B	–	–	44,859,000	3.75
– Subscriber C	–	–	44,859,000	3.75
– Subscriber D	37,800,000	3.79	47,769,000	3.99
– Subscriber E	17,330,400	1.74	47,235,400	3.95
– Subscriber F	–	–	24,921,000	2.08
Other public Shareholders	770,288,901	77.27	770,288,901	64.39
<i>Subtotal</i>	825,619,701	82.82	1,024,991,701	85.68
Total	996,864,501	100.00	1,196,236,501	100.00

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The Group is principally engaged in (i) wine trading (“**Wine Business**”); (ii) and the production of sales of food products in Hong Kong.

The gross proceeds raised from the Subscription will be HK\$19.94 million, and the net proceeds, after deduction of all relevant expenses, will be approximately HK\$19.86 million, which are intended to be fully used for the Group’s general working capital purposes and repayment of other borrowing.

The Directors are of the view that despite the existing cash resources held by the Group, it would be desirable for the Group to raise and reserve sufficient cash for satisfying the imminent cash flows needs of the Group in a timely manner with view to strengthening the financial position of the Group and for its general working capital so as to accommodate the operating cashflow needs. Therefore, the Directors considered that the Subscription represents a good opportunity for the Group to achieve the aforesaid purposes.

The Board has reviewed other alternative fundraising methods and considered that debt financing may incur interest burden on the Company and may be subject to lengthy due diligence process and negotiations with banks, which may be relatively uncertain and time-consuming. On the other hand, rights issue or open offer will involve the issue of listing documents with other application and administrative procedures which may require relatively longer time and additional administrative cost to complete as compared to the equity financing by way of issuing of new Shares under the General Mandate.

The Directors consider that the Subscription will enlarge the shareholder and capital base of the Company and also increase the overall liquidity of the Shares and strengthen the financial position of the Group. Accordingly, the Directors (including the independent non-executive Directors) consider the terms of each of the Subscription Agreements (including the Subscription Price) are on normal commercial terms, fair and reasonable and the Subscription is in the interest of the Company and the Shareholders as a whole.

GENERAL

The completion of the Subscription is subject to the fulfilment of the conditions precedent set out in the respective Subscription Agreements, the transactions contemplated under each of the Subscription Agreements may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

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

“Board”	the board of Directors of the Company
“Business Day”	any day (excluding a Saturday, Sunday or public holiday) on which banks generally are open for business in Hong Kong
“Company”	Palinda Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose issued shares are listed on GEM (stock code: 8179)
“Completion”	completion of the Subscription pursuant to the respective Subscription Agreement(s)
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	the GEM of the Stock Exchange

“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate to allot, issue and deal with up to 199,372,900 new Shares granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 8 June, 2023
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	party(ies) who are third parties independent of the Company and its connected persons
“Listing Committee”	the listing committee of the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Share(s)”	ordinary share(s) of HK\$0.1 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber A”	a company incorporated in Hong Kong and an Independent Third Party
“Subscriber B”	a company incorporated in Hong Kong and an Independent Third Party
“Subscriber C”	a company incorporated in Hong Kong and an Independent Third Party
“Subscriber D”	a company incorporated in Hong Kong and an Independent Third Party
“Subscriber E”	a company incorporated in British Virgin Islands and an Independent Third Party
“Subscriber F”	a natural person in Hong Kong and an Independent Third Party
“Subscribers”	collectively, Subscriber A, Subscriber B, Subscriber C, Subscriber D, Subscriber E and Subscriber F

“Subscription”	the subscription for 199,372,000 Subscription Shares in total by the Subscribers pursuant to the terms and conditions of the Subscription Agreements
“Subscription Agreement A”	the subscription agreement dated 13 November 2023 entered into between the Company and Subscriber A
“Subscription Agreement B”	the subscription agreement dated 13 November 2023 entered into between the Company and Subscriber B
“Subscription Agreement C”	the subscription agreement dated 13 November 2023 entered into between the Company and Subscriber C
“Subscription Agreement D”	the subscription agreement dated 13 November 2023 entered into between the Company and Subscriber D
“Subscription Agreement E”	the subscription agreement dated 13 November 2023 entered into between the Company and Subscriber E
“Subscription Agreement F”	the subscription agreement dated 13 November 2023 entered into between the Company and Subscriber F
“Subscription Agreement(s)”	collectively the Subscription Agreement A, Subscription Agreement B, Subscription Agreement C, Subscription Agreement D, Subscription Agreement E and Subscription Agreement F and each a “Subscription Agreement”
“Subscription Price”	the subscription price of HK\$0.10 per Subscription Share for the Subscription
“Subscription Shares”	new Shares to be allotted and issued under the Subscription Agreements at the Subscription Price, and each a “Subscription Share”
“%”	per cent

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

Hong Kong, 13 November 2023

As at the date of this announcement, 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.

This announcement, for which the Directors 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 of Hong Kong Limited (“HKEx”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading

This announcement will remain on the “Latest Listed Company Information” page of the HKEx website at www.hkexnews.hk for at least seven days from the date of its posting and on the Company’s website at www.palinda.com.