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## THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this Prospectus or as to the action you should take, you should consult your stockbroker, other licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in the Company, you should at once hand the Prospectus Documents to the purchaser or the transferee or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale was effected for transmission to the purchaser or the transferee. The Prospectus Documents should not, however, be distributed, forwarded to or transmitted to, into or from any jurisdiction where to do so might constitute a violation of local securities laws or regulations.

A copy of each of the Prospectus Documents, having attached thereto the documents specified in the paragraph headed "14. Documents delivered to the Registrar of Companies" in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission, the Stock Exchange and the Registrar of Companies in Hong Kong take no responsibility as to the contents of any of these documents.

Dealings in the Rights Shares in their nil-paid and fully-paid forms may be settled through CCASS. You should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from their respective commencement dates of dealings in the Rights Shares on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

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

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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)**

## RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY TWO EXISTING SHARES HELD ON THE RECORD DATE

Underwriter of the Rights Issue



**Raffaello Securities (HK) Limited**

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Capitalised terms used in this cover pages shall have the same meanings as defined in this Prospectus.

Dealings in the Rights Shares in the nil-paid form will take place from Wednesday, 15 June 2022 to Wednesday, 22 June 2022 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled or the Underwriting Agreement is terminated by the Underwriter, the Rights Issue will not proceed. Any person contemplating dealing in the nil-paid Rights Shares during the period from Wednesday, 15 June 2022 to Wednesday, 22 June 2022 (both dates inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and/or may not proceed. Any person contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult his/her/its/their own professional advisers.

The Underwriting Agreement contains provisions granting the Underwriter, by notice in writing to the Company, served prior to the Latest Time for Termination, the right to terminate the Underwriting Agreement on the occurrence of certain events including force majeure. These certain events are set out in the section headed "TERMINATION OF UNDERWRITING AGREEMENT" on pages 8 to 9 of this Prospectus. If the Underwriting Agreement is terminated by the Underwriter, the Rights Issue will not proceed.

The latest time for acceptance of, and payment for, the Rights Shares and application for and payment for Excess Rights Shares is 4:00 p.m. on Monday, 27 June 2022. The procedures for acceptance and payment for or transfer of the Rights Shares are set out on pages 20 to 22 of this Prospectus.

13 June 2022

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## CHARACTERISTICS OF GEM

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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 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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## DEFINITIONS

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*In this Prospectus, unless the context otherwise requires, the following terms or expressions shall have the meanings set out below:*

“Announcement”	the announcement of the Company dated 28 April 2022 relating to, among other things, the Rights Issue
“Audit Committee”	the audit committee of the Company
“associate(s)”	has the meaning given to it under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	a day (excluding Saturdays) on which banks are generally open for business in Hong Kong; and for all other purposes, a day on which the Stock Exchange is open for transaction of business
“CCASS”	The Central Clearing and Settlement System established and operated by HKSCC
“close associate(s)”	has the meaning given to it under the GEM Listing Rules
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended from time to time
“Company”	Palinda Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM
“connected person”	has the meaning as ascribed thereto under the GEM Listing Rules
“controlled corporation(s)”	has the meaning as ascribed thereto under the SFO
“controlling shareholders”	has the meaning as ascribed thereto under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“EAF(s)”	the form(s) of application for Excess Rights Shares to be issued in connection with the Rights Issue

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## DEFINITIONS

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“Excess Rights Share(s)”	any unsold entitlements to the Rights Shares of the Non-Qualifying Shareholder(s) (if any), and any nil-paid Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise not subscribed for by renounees or transferees of nil-paid Rights Shares prior to the Latest Time for Acceptance, and any of the Rights Shares created from the aggregation of fractions of the Rights Shares
“Extreme Conditions”	the extreme conditions the government of Hong Kong may announce in the event of, for example, serious disruption of public transport services, extensive flooding, major landslides, or large-scale power outage caused by super typhoons according to the revised “Code of Practice in Times of Typhoons and Rainstorms” issued by the Labour Department of Hong Kong
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Committee”	has the meaning ascribed thereto under the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

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## DEFINITIONS

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“Last Trading Day”	27 April 2022, the last day on which the existing Shares were traded on the Stock Exchange immediately preceding the publication of the Announcement
“Latest Practicable Date”	2 June 2022, being the latest practicable date prior to printing of this Prospectus for the purpose of ascertaining certain information for inclusion in this Prospectus
“Latest Time for Acceptance”	4:00 p.m. on Monday, 27 June 2022 or such other time and date as may be agreed between the Company and the Underwriter, being the latest time for application for, acceptance and payment in respect of provisional allotments under the Rights Issue and for application and payment for Excess Rights Shares as described in this Prospectus
“Latest Time for Termination”	4:00 p.m. on Tuesday, 28 June 2022 or such later time or date as may be agreed between the Company and the Underwriter, being the latest time to terminate the Underwriting Agreement
“Listing Committee”	has the meaning ascribed thereto under the GEM Listing Rules
“Ms. Huang”	Ms. Huang Wei, an executive Director, the Chairlady and a substantial shareholder of the Company
“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s), to whom the Directors, based on legal opinion(s) provided by the legal adviser(s) to the Company, consider it necessary or expedient not to offer the Rights Issue on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Overseas Shareholder(s)”	Shareholder(s) whose addresses on the register of members of the Company are outside Hong Kong

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## DEFINITIONS

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“PAL(s)” or “Provisional Allotment Letter(s)”	the provisional allotment letter(s) in respect of the Rights Issue to be issued to the Qualifying Shareholders
“PRC”	the People’s Republic of China, which for the purpose of this Prospectus, excludes Hong Kong, the Macao Special Administrative Region and Taiwan
“Prospectus”	this prospectus issued by the Company to the Shareholders on the Prospectus Posting Date in connection with the Rights Issue
“Prospectus Documents”	the Prospectus, the PAL and the EAF
“Prospectus Posting Date”	Monday, 13 June 2022 (or such later date as may be agreed between the Underwriter and the Company) for the despatch of the Prospectus Documents to the Qualifying Shareholders or the Prospectus to the Non-Qualifying Shareholders (as the case may be)
“Qualifying Shareholder(s)”	Shareholder(s) whose names appear on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholder(s)
“Record Date”	Friday, 10 June 2022 or such other date as may be agreed between the Company and the Underwriter for determination of the entitlements under the Rights Issue
“Registrar”	the branch share registrar and transfer agent of the Company in Hong Kong, being Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong
“Rights Issue”	the proposed issue of one (1) Rights Share for every two (2) existing Shares in issue and held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents

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## DEFINITIONS

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“Rights Share(s)”	the new Shares, totalling 293,288,167, proposed to be offered to the Qualifying Shareholders pursuant to the Rights Issue
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.10 per Rights Share
“substantial shareholder”	has the meaning ascribed thereto under the GEM Listing Rules
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs
“Undertaken Shares”	31,917,600 Rights Shares to be provisionally allotted to Ms. Huang under the Rights Issue which she had undertaken to subscribe
“Underwriter”	Raffaello Securities (HK) Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO, whose ordinary course of business includes underwriting of securities and the ultimate beneficial owners of which are independent third parties
“Underwriting Agreement”	the underwriting agreement dated 28 April 2022 entered into between the Company and the Underwriter in relation to the underwriting arrangement of the Rights Issue
“Underwritten Shares”	261,370,567 Rights Shares, being the total number of Shares underwritten by the Underwriter under the Underwriting Agreement
“%”	per cent



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## EXPECTED TIMETABLE

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Event	2022
First day of dealing in nil-paid Rights Shares . . . . .	9:00 a.m., Wednesday, 15 June
Latest time for splitting nil-paid Rights Shares . . . . .	4:30 p.m., Friday, 17 June
Last day of dealing in nil-paid Rights Shares . . . . .	4:00 p.m., Wednesday, 22 June
Latest time for acceptance of, and payment for the Rights Shares and payment and for application and payment for Excess Rights Shares . . . . .	4:00 p.m., Monday, 27 June
Rights Issue expected to become unconditional . . . . .	4:00 p.m., Tuesday, 28 June
Announcement of results of acceptance of the Rights Issue to be published on the respective websites of the Stock Exchange and the Company . . . . .	Tuesday, 5 July
Refund cheques for wholly and partially unsuccessful excess applications to be posted . . . . .	Wednesday, 6 July
Certificates for fully-paid Rights Shares and refund cheques (if any) expected to be despatched . . . . .	Wednesday, 6 July
First day of dealings in the fully-paid Rights Shares . . . . .	Thursday, 7 July

All times and dates specified in this Prospectus refer to Hong Kong local times and dates. Dates stated in this Prospectus for event mentioned in the timetable are indicative only and may be extended or varied. Any changes to the expected timetable for the Rights Issue will be announced as and when appropriate in accordance with the GEM Listing Rules.

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## EXPECTED TIMETABLE

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### **EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES**

The Latest Time for Acceptance of and payment for the Rights Shares and for application and payment for Excess Rights Shares will not take place at 4:00 p.m. on Monday, 27 June 2022 if there is a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning or Extreme Conditions in force in Hong Kong, if such circumstances is:

- (a) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance, the Latest Time for Acceptance will not take place at 4:00 p.m. on the date of the Latest Time for Acceptance, but will be extended to 5:00 p.m. on the same day instead;
- (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance, the Latest Time for Acceptance will not take place on the date of the Latest Time for Acceptance, but will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on the date of the Latest Time for Acceptance, the dates mentioned in the expected timetable (including but not limited to the Latest Time for Termination) above may be affected. An announcement will be made by the Company in such event.

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## TERMINATION OF THE UNDERWRITING AGREEMENT

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### TERMINATION OF THE UNDERWRITING AGREEMENT

The Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement if, *inter alia*:

- (a) in the reasonable opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
  - (i) the introduction of any law or regulation or any change in existing laws or regulations (or the judicial interpretation thereof); or
  - (ii) the occurrence of (1) any local, national or international event or change of a political, military, financial, economic or currency or other nature or of the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities market; (2) a suspension or a material limitation in trading in securities generally on the Stock Exchange; (3) a suspension or a material limitation in trading in the Company's securities on the Stock Exchange for more than ten consecutive Business Days (other than pending publication of the Announcement or any other document relating to the Rights Issue); (4) a general moratorium on commercial banking activities in Hong Kong declared by the relevant authority or a material disruption in commercial banking or securities settlement or clearance services in Hong Kong; or (5) a change or development involving a prospective change in taxation affecting the Company, the Shares or the transfer thereof; or
- (b) any change in the circumstances of the Company or any member of the Group occurs which in the reasonable opinion of the Underwriter will materially and adversely affect the prospects of the Company, including without limiting the generality of the foregoing, the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any member of the Group or the destruction of any material asset of the Group; or
- (c) any event of force majeure occurs, including without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, outbreak of an infectious disease, epidemic, terrorism, armed conflict, strike or lock-out; or
- (d) the commencement by any third party of any litigation or claim against any member of the Group after the signing of the Underwriting Agreement which, in the reasonable opinion of the Underwriter, is or might be material to the Group taken as a whole; or

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## TERMINATION OF THE UNDERWRITING AGREEMENT

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- (e) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole occurs, whether or not ejusdem generis with any of the foregoing.

The Underwriter shall be entitled by notice in writing, served prior to the Latest Time for Termination, to rescind the Underwriting Agreement if prior to the Latest Time for Termination, *inter alia*:

- (a) the Company commits any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement or it comes to the knowledge of the Underwriter of such material breach, which will or is likely to have a material and adverse effect on its business, financial or trading prospects of the Group; or
- (b) the Company's application to the GEM Listing Committee for the permission for the listing of, and permission to deal in, the Rights Shares (in their nil-paid and fully-paid forms) on the Stock Exchange is withdrawn by the Company and/or refused or revoked by the Stock Exchange; or
- (c) any condition to enable the Rights Shares (in their nil-paid and fully-paid forms) to be admitted as eligible securities for deposit, clearance and settlement in CCASS is not satisfied or notification is received by the Company from HKSCC that such admission or facility for holding and settlement has been or is to be refused; or
- (d) any statement contained in the Announcement or any Prospectus Document has been shown to be untrue, inaccurate, incomplete in any material respect or misleading with reference to the date on which such statement was made.

If prior to the Latest Time for Termination, any such notice referred to above is given by the Underwriter, all obligations of each of the parties to the Underwriting Agreement shall cease and no party shall have any claim against any other party for costs, damages, compensation or otherwise in respect of any matter arising out of or in connection with the Underwriting Agreement save for any antecedent breaches.

If the Underwriter terminates the Underwriting Agreement, the Rights Issue will not proceed.

The Underwriter has confirmed that the outbreak of an infectious disease as referred to in the Underwriting Agreement does not include the continuous outbreak of the COVID-19 pandemic.

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LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Ms. Huang Wei (*Chairlady*)

Mr. Dou Sheng

*Independent non-executive Directors:*

Mr. Lee Lap Keung

Mr. So Yat Chuen

Dr. Wu Wing Kuen, *B.B.S.*

*Registered Office:*

Cricket Square

Hutchins Drive

PO Box 2681

Grand Cayman

KY1-1111

Cayman Islands

*Principal place of business in Hong Kong:*

Unit 306-A201, 3/F.

Harbour Centre, Tower 1

1 Hok Cheung Street

Hunghom, Kowloon

Hong Kong

13 June 2022

*To the Qualifying Shareholders; and  
for information only, the Non-Qualifying Shareholders*

Dear Sir or Madam

**RIGHTS ISSUE ON THE BASIS OF  
ONE RIGHTS SHARE FOR EVERY TWO EXISTING SHARES HELD  
ON THE RECORD DATE**

**INTRODUCTION**

On 28 April 2022, the Board announced that the Company proposes to raise approximately HK\$29.3 million, before expenses, by issuing 293,288,167 Rights Shares by way of rights issue at the Subscription Price of HK\$0.10 per Rights Share, on the basis of one (1) Rights Share for every two (2) existing Shares held on the Record Date. Qualifying Shareholders will be entitled to apply for additional Rights Shares in excess of their respective entitlements under the Rights Issue through excess application. The Rights Issue is not available to the Non-Qualifying Shareholders.

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## LETTER FROM THE BOARD

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The purpose of this Prospectus is to provide you with, among other things, details of the Rights Issue and the financial information and other general information of the Group.

### RIGHTS ISSUE

#### Issue statistics

Basis of the Rights Issue	:	One (1) Rights Share for every two (2) existing Shares held on the Record Date
Subscription Price	:	HK\$0.10 per Rights Share
Number of Shares in issue as at the date of this Prospectus	:	586,576,334 Shares
Number of Rights Shares	:	293,288,167 Rights Shares
Number of Shares in issue immediately upon completion of the Rights Issue	:	879,864,501 Shares, assuming no further issue of new Shares and no repurchase of Shares on or before the Record Date
Amount to be raised by the Rights Issue before expenses	:	Approximately HK\$29.3 million
Right of excess applications	:	Qualifying Shareholders may apply for the Rights Shares in excess of their provisional allotment
Underwriter	:	Raffaello Securities (HK) Limited

As at the Latest Practicable Date, the Company did not have any outstanding convertible securities, options or warrants in issue or similar rights which confer any right to subscribe for, convert or exchange into the Shares.

Based on the existing issued share capital of the Company as at the Latest Practicable Date and assuming there will be no change in the number of issued Shares from the Latest Practicable Date up to the Record Date, 293,288,167 Rights Shares to be issued and allotted pursuant to the Rights Issue (i) represent 50% of the existing issued share capital of the Company; and (ii) approximately 33.3% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

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## LETTER FROM THE BOARD

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### Subscription Price

The Subscription Price is HK\$0.10 per Rights Share, payable in full when a Qualifying Shareholder accepts his/her/its provisional allotment under the Rights Issue or application for Excess Rights Shares or when a renouncee of any provisional allotment of the Rights Shares or a transferee of nil-paid Rights Shares subscribes for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 39.76% to the closing price of HK\$0.166 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 39.61% to the average closing price of approximately HK\$0.1656 per Share for the last five consecutive trading days as quoted on the Stock Exchange up to and including the Last Trading Day;
- (iii) a discount of approximately 39.94% to the average closing price of approximately HK\$0.1665 per Share for the last ten consecutive trading days as quoted on the Stock Exchange up to and including the Last Trading Day;
- (iv) a discount of approximately 42.89% to the average closing price of approximately HK\$0.1751 per Share for the last thirty consecutive trading days as quoted on the Stock Exchange up to and including the Last Trading Day;
- (v) a discount of approximately 13.25% to the theoretical ex-rights price of approximately HK\$0.144 per Share based on the closing price of HK\$0.166 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (vi) a discount of approximately 80.43% to the audited net asset value per Share of approximately HK\$0.511 (based on the latest published audited consolidated net asset value of the Group of approximately HK\$299,934,000 as at 31 December 2021 as disclosed in the annual report of the Company for the year ended 31 December 2021 and 586,576,334 Shares in issue as at the Latest Practicable Date); and
- (vii) a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) represented by a discount of approximately 13.25%, represented by the theoretical diluted price of approximately HK\$0.144 per Share to the theoretical benchmarked price of HK\$0.166 per Share (as defined under Rule 10.44A of the GEM Listing Rules, taking into account the higher of the closing price on the Last Trading Day of HK\$0.166 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days prior to the Last Trading Day of approximately HK\$0.1656 per Share).

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## LETTER FROM THE BOARD

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The terms of the Rights Issue, including the Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter with reference to, among other things, the market price and trading liquidity of the Shares under the prevailing market conditions, the latest business performance and financial position of the Group, the amount of funds and capital needs and reasons for the Right Issue as set out in the section headed "REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS" below.

In particular, taking into account (i) the continuing uncertain outlook of the businesses affecting the Group as a result of COVID-19; (ii) the recent segment loss for the wine business exacerbated by increased political tension between China and Australia leading to excessive duties imposed on Australian wines into China and lowered selling prices of Australian wines; (iii) the capital needs for the ongoing development of the wine business; (iv) the thin trading liquidity of the Shares which is reflected by the low average daily trading volume of the Shares in 2022; and (v) the affordability of Rights Shares for the existing Shareholders under the current economic conditions in Hong Kong, the Board and the Group's management considered it appropriate to set the Subscription Price at a large discount to the recent trading prices and a relatively larger discount to the audited net asset value per Share, aiming at lowering the further investment cost of the Shareholders, so as to encourage the Qualifying Shareholders to take up their entitlements to maintain their shareholdings in the Company, thereby minimizing possible dilution impact.

In such circumstances, the Board considers that despite any potential dilution impact of the Rights Issue on the shareholding interests of the Shareholders, the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interest of the Company and the Shareholders as a whole, after taking into account the following factors: (i) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the Rights Issue are able to sell the nil-paid rights in the market; (ii) the Qualifying Shareholders who choose to accept their provisional entitlements in full can maintain their respective existing shareholding interests in the Company after the Rights Issue; (iii) the Rights Issue allows the Qualifying Shareholders an opportunity to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company at a relatively low price as compared to the recent market price of the Shares; and (iv) the Qualifying Shareholders are given opportunity to increase their investment in the Company through excess application of the Rights Shares to participate in the future growth of the Company.

The estimated net price per Rights Share (assuming no further issue of new Shares or repurchase of Shares on or before the Record Date) after deducting the related expenses of the Rights Issue will be approximately HK\$0.09.

### **Conditions of the Rights Issue**

The Rights Issue is conditional upon the fulfillment or waiver (as the case may be) of the following conditions:



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## LETTER FROM THE BOARD

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- (a) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy each of the Prospectus Documents duly signed in compliance with the GEM Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance not later than the Prospectus Posting Date;
- (b) the posting of the Prospectus Documents to the Qualifying Shareholders on the Prospectus Posting Date;
- (c) the GEM Listing Committee granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and permission to deal in, the Rights Shares, in nil-paid and fully-paid forms, by no later than the first day of their dealings;
- (d) the obligations of the Underwriter becoming unconditional and that the Underwriting Agreement not being terminated in accordance with the terms thereof on or before the Latest Time for Termination; and
- (e) the representation, warranties and undertakings of the Company as set out in the Underwriting Agreement remaining true and accurate in all material respects.

The Company shall use all reasonable endeavours to procure the fulfilment or waiver (as the case may be) of all the above conditions precedent by the Latest Time for Termination or such other time and date as the Company and the Underwriter may agree.

The Underwriter may at any time by notice in writing to the Company waive the condition set out in paragraph (e) above. Save and except the condition set out in paragraph (e) above, the other conditions are incapable of being waived. If the conditions precedent set out in paragraphs (a) to (e) above are not fulfilled and/or waived in whole or in part by the Underwriter by the Latest Time for Termination or such other date as the Company and the Underwriter may agree, the Underwriting Agreement shall terminate (save and except the provisions regarding fees, notices and governing law and jurisdiction which shall remain in full force and effect) and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

As at the Latest Practicable Date, none of the above conditions had been fulfilled.

### **Basis of provisional allotment**

The basis of the provisional allotment shall be one (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date. Acceptance of all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

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## LETTER FROM THE BOARD

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### **Status of the Rights Shares**

The Rights Shares, when allotted, issued and fully-paid, will rank *pari passu* with the Shares then in issue in all respects. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Rights Shares in their fully-paid form.

### **Qualifying Shareholders**

The Rights Issue will only be available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must (i) be registered as a member of the Company on the Record Date and (ii) have an address in Hong Kong as his address on the register of members of the Company on the Record Date.

### **Non-Qualifying Shareholders**

The Prospectus Documents will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. Non-Qualifying Shareholders may not be eligible to take part in the Rights Issue as explained below.

Based on the register of members of the Company, as at the Latest Practicable Date, there was one (1) Overseas Shareholder whose registered address is situated in the PRC and who held 720 Shares, representing approximately 0.00012% of the issued share capital of the Company.

In compliance with Rule 17.41(1) of the GEM Listing Rules, the Directors have made enquiries with a legal adviser of the PRC on whether or not under the laws of the PRC, the Rights Issue could be extended to the Overseas Shareholder in the PRC.

Based on the advice of the legal adviser of the PRC, the Directors are of the view that it is necessary and expedient to exclude the Overseas Shareholder in the PRC for the purpose of the Rights Issue and such Overseas Shareholder in the PRC will be regarded as a Non-Qualifying Shareholder as the extension of the Rights Issue to such Non-Qualifying Shareholder would, or might, in the absence of compliance with registration or other exemption requirements or other special formalities or specific requirements, be unlawful or impracticable, and the cost to be incurred and the time required for complying with the registration and/or other relevant requirements would outweigh any possible benefit to the Company and the Non-Qualifying Shareholder. The Company will send a copy of this Prospectus (without the PAL and the EAF) to the Non-Qualifying Shareholder for information only.

Accordingly, no person receiving a copy of any of the Prospectus Documents in any territory outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares, unless in a territory such an offer or invitation could lawfully be made without compliance with any registration or other legal or regulatory requirements thereof.

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## LETTER FROM THE BOARD

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Save as disclosed above, the Company have no other Overseas Shareholders based on the shareholders information available from the Registrar as at the Latest Practicable Date. As disclosed in the Announcement, the register of members of the Company is closed from Monday, 6 June 2022 to Friday, 10 June 2022 (both dates inclusive), therefore, the Company will not have additional Overseas Shareholders as at the Record Date.

It is the responsibility of the Qualifying Shareholders outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself/herself/itself before acquiring any rights to subscribe for the Rights Shares as to the observance of the laws and regulations of all relevant territories, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such territory in connected therewith. Any acceptance of or application for Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been fully complied with. If you are in doubt as to your position, you should consult your own professional advisers.

**The Company reserves the right to refuse to accept any application or treat as invalid any acceptance of or applications for the Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation and warranty. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.**

### **Application for Excess Rights Shares**

Qualifying Shareholders are entitled to apply, by way of excess application, for any unsold entitlements to the Rights Shares of the Non-Qualifying Shareholder(s) (if any), and for any nil-paid Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise not subscribed for by renounees or transferees of nil-paid Rights Shares (collectively referred to as “**Untaken Rights**”).

Applications for Excess Rights Shares may be made by completing an EAF and lodging the same with a separate remittance for the full amount payable for the Excess Rights Shares being applied for. The Directors will allocate any Excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

- (a) any Excess Rights Shares will be allocated to Qualifying Shareholders who apply for them as far as practicable on a pro-rata basis by reference to the number of the Excess Rights Shares applied for under each application;
- (b) no reference will be made to the Rights Shares subscribed through applications by PALs or the existing number of Shares held by Qualifying Shareholders;

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## LETTER FROM THE BOARD

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- (c) no preference will be given to applications for topping up odd-lot holdings to whole lot holdings; and
- (d) pursuant to Rule 10.31(3)(b) of the GEM Listing Rules, the Company will also take steps to identify the applications for Excess Rights Shares made by any controlling shareholder or its associates (the “**Relevant Shareholders**”), whether in their own names or through nominees.

The Company shall disregard the Relevant Shareholders’ applications for Excess Rights Shares to the extent that the total number of Excess Rights Shares they have applied for exceeds a maximum number equivalent to the total number of Rights Shares offered under the Rights Issue minus the number of Rights Shares taken up by the Relevant Shareholders under their assured entitlement to the Rights Shares.

If the aggregate number of Rights Shares underlying the Untaken Rights is greater than the aggregate number of Excess Rights Shares being applied for under EAFs, the Directors will allocate to each Qualifying Shareholder who applies for Excess Rights Shares the actual number of Excess Rights Shares being applied for.

Investors whose Shares are held by a nominee (or which are held in CCASS) should note that the Board will regard the nominee (including HKSCC Nominees Limited) whose name appears on the register of members of the Company (the “**Registered Nominee**”) as a single Shareholder under the aforesaid arrangement in relation to the allocation of Excess Rights Shares. Beneficial owners who hold Shares through a Registered Nominee are advised to consider whether they would like to arrange for the registration of their Shares in their own names prior to the Record Date.

Investors whose Shares are held by a Registered Nominee and who would like to have their names registered on the register of members of the Company, must lodge all necessary documents with the Registrar at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong, for completion of the relevant registration by 4:30 p.m. on Thursday, 2 June 2022. The register of members of the Company will be closed from Monday, 6 June 2022 to Friday, 10 June 2022, both dates inclusive.

In the event that the Directors note unusual patterns of Excess Rights Shares applications, the Directors will review those applications and if the Directors have reason to believe that any application may have been made with the intention to abuse the above mechanism, such application(s) for Excess Rights Shares may be rejected at the sole discretion of the Directors.

If a Qualifying Shareholder wishes to apply for any Rights Shares in addition to his/her/its provisional allotment, he/she/it must complete and sign the enclosed EAF in accordance with the instructions printed thereon and lodge the same with a separate remittance for the amount payable on application in respect of the Excess Rights Shares being applied for with the Registrar at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong

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## LETTER FROM THE BOARD

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Kong, by no later than 4:00 p.m. on Monday, 27 June 2022. All remittances must be made in Hong Kong dollars by cheques which must be drawn on a bank account with, or by banker's cashier orders which must be issued by, a licensed bank in Hong Kong and made payable to "PALINDA GROUP HOLDINGS LIMITED – EXCESS APPLICATION ACCOUNT" and crossed "Account Payee Only".

If no Excess Rights Shares are allotted to a Qualifying Shareholder who has applied for Excess Rights Shares, the remittance tendered on application is expected to be returned by refund cheque to that Qualifying Shareholder in full without interest by ordinary post at his/her/its own risk by the Registrar on Wednesday, 6 July 2022. If the number of Excess Rights Shares allotted to a Qualifying Shareholder is less than that applied for, the surplus application monies is also expected to be returned by refund cheque to that Qualifying Shareholder without interest by ordinary post to his/her/its registered address at his own risk by the Registrar on Wednesday, 6 July 2022.

All cheques or banker's cashier orders accompanying completed EAFs will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the EAF together with a cheque or a banker's cashier order in payment for the Excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or the banker's cashier order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any EAF in respect of which the cheque or banker's cashier order is dishonoured on first presentation.

The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All Prospectus Documents, including refund cheques for wholly or partially unsuccessful applications for Excess Rights Shares, will be sent by ordinary post at the risk of the person(s) entitled thereto to their registered addresses as at the Record Date by the Registrar on the respective despatch dates. The Company may, at its discretion, treat an EAF as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the EAF is not completed in accordance with the relevant instructions. No action has been taken to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory other than Hong Kong. Accordingly, no person receiving a copy of the EAF in any territory outside Hong Kong may treat it as an offer or invitation to apply for the Excess Rights Shares, unless in a territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. Completion and return of the EAF together with a cheque or banker's cashier order in payment for the Excess Rights Shares applied for will constitute a warranty and representation from such Qualifying Shareholder(s) to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions in connection with the EAF and any application thereunder, have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be

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## LETTER FROM THE BOARD

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subject to, any of the above warranty and representation. The Company reserves the right to refuse to accept any application for Excess Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction.

If any of the conditions of the Rights Issue as set out in the paragraph headed “Conditions of the Rights Issue” above is not fulfilled and/or not waived (where applicable) at or before 4:00 p.m. on Tuesday, 28 June 2022 (or such later time and date as may be agreed between the Company and the Underwriter), the Rights Issue will not proceed. Under such circumstances, the remittance received in respect of application for Excess Rights Shares will be returned to the Qualifying Shareholders or, in the case of joint applicants, to the first named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on Wednesday, 6 July 2022.

### **Fractions of the Rights Shares**

The Company will not provisionally allot and issue and will not accept application for any fraction of the Rights Shares and the entitlements of the Qualifying Shareholders will be rounded down to the nearest whole number. All fractions of Rights Shares will be aggregated (rounded down to the nearest whole number). All nil-paid Rights Shares arising from such aggregation will be provisionally allotted (in nil- paid form) and sold in the market for the benefit of the Company if a premium (net of expenses) can be obtained, and the Company will retain the proceeds from such sale. Any unsold fractions of Rights Shares will be made available for excess application by the Qualifying Shareholders under the EAFs.

### **Share certificates and refund cheques for the Rights Shares**

Subject to the fulfillment of the conditions of the Rights Issue, share certificates for all fully paid Rights Shares are expected to be posted to those who have accepted and (where applicable) applied for and paid for the Rights Shares on Wednesday, 6 July 2022 by ordinary post at their own risk. If the Rights Issue is terminated or for unsuccessful application for Rights Issue, refund cheques in respect of the acceptance for Rights Shares are expected to be posted on Wednesday, 6 July 2022 by ordinary post to the applicants at their own risk. Each applicant, except HKSCC Nominees Limited, will receive one share certificate for all the allotted Rights Shares.

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## LETTER FROM THE BOARD

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### **Procedures for acceptance and payment or transfer**

#### ***PAL – Acceptance, payment and transfer***

A PAL is enclosed with this Prospectus which entitles the Qualifying Shareholders to whom it is addressed to subscribe for the number of the Rights Shares shown thereon. If a Qualifying Shareholder wishes to accept all the Rights Shares provisionally allotted to them as specified in the PAL, he/she/it must lodge the PAL in accordance with the instructions printed thereon with the Registrar, together with a remittance for the full amount payable on acceptance, so as to be received by no later than 4:00 p.m. (Hong Kong time) on Monday, 27 June 2022 (or, under bad weather conditions and/or extreme conditions, such later date as mentioned in the paragraph “Effect of bad weather on the Latest Time for Acceptance of and payment for the Rights Shares and application and payment for Excess Rights Shares” in the section headed “EXPECTED TIMETABLE” in this Prospectus). All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by banker’s cashier orders which must be issued by, a licensed bank in Hong Kong and made payable to “PALINDA GROUP HOLDINGS LIMITED – PROVISIONAL ALLOTMENT ACCOUNT” and crossed “Account Payee Only”.

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar by no later than 4:00 p.m. (Hong Kong time) on Monday, 27 June 2022, whether by the original allottee or any person in whose favour the provisional allotment has been validly transferred, that provisional allotment and all rights and entitlement thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for application under the EAFs by the Qualifying Shareholders. The Company may, at its sole and absolute discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicant at a later stage.

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or transfer part of his/her/its rights to more than one person, the entire and original PAL must be surrendered and lodged for cancellation by no later than 4:30 p.m. on Friday, 17 June 2022 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required. The new PALs will be available for collection from the Registrar at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL. It should be noted that Hong Kong ad valorem stamp duty is payable in connection with the transfer of your rights to subscribe for the relevant Rights Shares to the transferee(s) and the acceptance by the transferee(s) of such rights.

The Company reserves the right to refuse to register any transfer in favour of any person in respect of which the Company believes such transfer may violate applicable legal or regulatory requirements.



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## LETTER FROM THE BOARD

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The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders.

All cheques or banker's cashier orders will be presented for payment following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Any PAL in respect of which the cheque or banker's cashier order is dishonoured on first presentation is liable to be rejected, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. You must pay the exact amount payable upon application for the Rights Shares, and underpaid application will be rejected. In the event of overpaid application, a refund cheque, without interest, will be made out to you if the overpaid amount is HK\$100 or above.

Completion and return of the PAL with a cheque or a banker's cashier order, whether by a Qualifying Shareholder or by any nominated transferee(s), will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or banker's cashier order is dishonoured on first presentation, and in that event, the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

No action has been taken by the Company to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory or jurisdiction outside Hong Kong. Accordingly, no person receiving the Prospectus Documents in any territory or jurisdiction outside Hong Kong may treat it as an offer or invitation to apply for Rights Shares, unless in the relevant territory or jurisdiction where such an offer or invitation could lawfully be made without compliance with any registration or other legal or regulatory requirements. Subject as referred to below, it is the responsibility of anyone outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself/herself/itself, before subscribing for the provisionally allotted Rights Shares, as to the full observance of the laws and regulations of all relevant territories and jurisdictions, including the obtaining of any governmental or other consents and to pay taxes and duties required to be paid in such territory or jurisdiction in connection therewith. Any acceptance of the offer of the Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been or will be fully complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation or warranty. If you are in doubt as to your position, you should consult your own professional advisers. The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that doing so would violate the applicable securities legislation or other laws and regulations of any territory or jurisdiction. No application for Rights Shares will be accepted from any person who is a Non-Qualifying Shareholder.



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## LETTER FROM THE BOARD

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If the Underwriter exercises the right to terminate or rescind the Underwriting Agreement prior to the Latest Time for Termination and/or if any of the conditions of the Rights Issue is not fulfilled or waived by the Underwriter by the Latest Time for Termination or such other date as the Company and the Underwriter may agree, the monies received in respect of the relevant provisional allotment, without interest, will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in the nil-paid form have been validly transferred or, in the case of joint acceptances, to the first-named person, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders or such other persons to their registered addresses by the Registrar on Wednesday, 6 July 2022.

No receipt will be issued in respect of any application monies received.

### **Application for listing of the Rights Shares**

The Company has made an application to the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms.

No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully paid forms on the Stock Exchange as well as compliance with the stock admission requirement of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement dates of dealings in Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other date as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The nil-paid Rights Shares shall have the same board lot size as the Shares, i.e. 12,000 Shares per each board lot.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms, which are registered in the branch register of members of the Company in Hong Kong, will be subject to the payment of stamp duty, Stock Exchange trading fee, the Securities and Futures Commission transaction levy, Financial Reporting Council transaction levy and any other applicable fees and charges in Hong Kong.

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## LETTER FROM THE BOARD

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### Taxation

Qualifying Shareholders are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of holding or disposal of, or dealing in the Rights Shares. It is emphasised that none of the Company, the Directors or any other parties involved in the Rights Issue accept responsibility for any tax effects or liability of holders of the Rights Shares resulting from purchase, holding or disposal of, or dealing in the Rights Shares.

### UNDERWRITING ARRANGEMENT AND UNDERTAKING

#### Irrevocable Undertaking

Ms. Huang has given an irrevocable undertaking in favour of the Company to subscribe or procure her controlled corporation to subscribe for 31,917,600 Rights Shares under the Rights Issue.

#### The Underwriting Agreement

Date	:	28 April 2022 (after trading hours)
Issuer	:	The Company
Underwriter	:	Raffaello Securities (HK) Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO, whose ordinary course of business includes underwriting of securities and the ultimate beneficial owners of which are independent third parties.

The Underwriter and its ultimate beneficial owner is, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, third parties independent of and not connected with the Company and its connected persons. The Underwriter confirmed that it has complied with Rule 10.24A(1) of the GEM Listing Rules.

Number of Underwritten Shares	:	261,370,567 Rights Shares, representing all the Rights Shares to be issued pursuant to the Rights Issue other than the Undertaken Shares. Accordingly, taking into account the Undertaken Shares, the Rights Issue is fully underwritten.
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## LETTER FROM THE BOARD

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Underwriting Commission : Approximately HK\$2.07 million, representing an underwriting commission at the rate of approximately 7.07% of the total Subscription Price of the Rights Shares.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Underwriter and its ultimate beneficial owners are independent of the Company and its connected persons. As at the date of the Underwriting Agreement, the Underwriter is not interested in any Shares.

The said underwriting commission rate was determined after arm's length negotiations between the Company and the Underwriter with reference to (i) the existing financial position of the Group, specifically, the increased loss and current liabilities of the Group in the financial year ended 31 December 2021 and imminent need for funds for repayment of borrowings, which necessitates the Rights Issue to be fully underwritten; (ii) the size of the Rights Issue, which on the basis of one Rights Share for every two existing Shares, is relatively large considering the low trading volume and liquidity of the Shares, which means a sizeable underwriter is required; and (iii) the current market volatility and negative sentiment caused by the prolonged COVID-19 outbreak and restrictions that come with it, which makes it more difficult to find a reputable underwriter like the Underwriter that is an existing market player.

Prior to engaging the Underwriter, the Company had approached two other financial institutions who provide underwriting services to explore interest in underwriting the Rights Issues on a fully underwritten basis. The Company was advised that due to (i) low historical trading volume in the Shares in the past year; (ii) the Company's low exposure in the market place in the media; and (iii) the historical financial result of the Company, such other financial institutions did not have any positive interest in providing underwriting services to such a scale to the Company. Having considered (i) the other financial institutions did not show interests to underwrite the Rights Shares on a fully underwritten basis; and (ii) the experience and financial resources of the Underwriter for underwriting such securities, the Directors (including the independent non-executive Directors) consider that the terms of the Underwriting Agreement (including the commission rate) are fair and reasonable so far as the Company and the Shareholders are concerned. In particular, the Directors understand that the Underwriter is a reputable licensed corporation with a well-established network of credible investors, and has been in the underwriting business for 10 years. The Directors have been advised that the Underwriter had completed two rights issue underwriting transactions with larger scale in years 2020 and 2021. The Directors also note that the underwriting commission charged by the Underwriter in its recent underwriting transactions were at similar rate (i.e. 7.07%). Accordingly, the Directors consider that the underwriting commission charged by the Underwriter is no less favourable to the Company than other issuers in the market.

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## **LETTER FROM THE BOARD**

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The Underwriter may enter into sub-underwriting arrangement with sub-underwriter(s) or appoint any person to be sub-agent(s) on its behalf for the purpose of arranging for the subscription of the Underwritten Shares with selected subscribers with such authority and rights as the Underwriter have pursuant to its appointment under the Underwriting Agreement.

The Underwriter has undertaken to Company that, among other things, other than the transactions contemplated under the Underwriting Agreement and as disclosed (or will be disclosed) in the Announcement and/or the Prospectus Documents, save with the prior consent of the Company, the Underwriter or any of its associates will not deal in the Shares or other securities of the Company from the date of the Underwriting Agreement to the completion of the Rights Issue, provided that the Underwriter may, before completion of the Rights Issue, enter into agreement with any other person(s) in respect of (a) the sub-underwriting of the Rights Shares; and/or (b) the subscription of the Underwritten Shares not taken up, so long as such transactions are in compliance with applicable laws and regulations.

### **Conditions of the Underwriting Agreement**

The conditions of the Underwriting Agreement have been set out in the section headed “RIGHTS ISSUE – Conditions of the Rights Issue” above.

### **Termination of the Underwriting Agreement**

The Underwriter may terminate the Underwriting Agreement by notice in writing given to the Company at any time prior to the Latest Time for Termination upon the occurrence of certain events. For details, please refer to the section headed “TERMINATION OF THE UNDERWRITING AGREEMENT” above.

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## LETTER FROM THE BOARD

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### SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structures of the Company (i) as at the Latest Practicable Date; (ii) immediately after the Rights Issue (assuming all Rights Shares are subscribed for by the Qualifying Shareholders); and (iii) immediately after the Rights Issue (assuming none of the Rights Shares are subscribed for by the Qualifying Shareholders, other than the subscription of the Undertaken Shares):

	As at the Latest Practicable Date		Immediately after completion of the Rights Issue			
			Assuming all Rights Shares are subscribed for by the Qualifying Shareholders		Assuming none of the Rights Shares are subscribed for by the Qualifying Shareholders (other than the subscription of the Undertaken Shares) (Note 1)	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Ms. Huang (Note 2)	63,835,200	10.88	95,752,800	10.88	95,752,800	10.88
Underwriter (Note 3)	–	–	–	–	261,370,567	29.71
Public Shareholders	<u>522,741,134</u>	<u>89.12</u>	<u>784,111,701</u>	<u>89.12</u>	<u>522,741,134</u>	<u>59.41</u>
Total	<u>586,576,334</u>	<u>100</u>	<u>879,864,501</u>	<u>100</u>	<u>879,864,501</u>	<u>100</u>

Notes:

1. Assuming no excess applications are made by Qualifying Shareholders.
2. Ms. Huang is an executive Director and the chairlady of the Company.
3. In the event that the Underwriting Agreement becoming unconditional and the Underwriter being called upon to subscribe for or procure subscribers of the Underwritten Shares pursuant to the Underwriting Agreement, the Underwriter has irrevocably undertaken to the Company that:
  - a. without affecting the Underwriter's obligation to procure underwriting for all the Underwritten shares (whether to underwrite the same by itself or procure sub-underwriting of the same), the Underwriter shall not subscribe, for its own account, for such number of Underwritten Shares, which will result in the shareholding of it and parties acting in concert (within the meaning of the Takeovers Code) with it in the Company to trigger a mandatory offer obligation under Rule 26 of Takeovers Code on the part of the Underwriter and parties acting in concert (within the meaning of the Takeovers Code) with it upon the completion of the Rights Issue;

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## LETTER FROM THE BOARD

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- b. the Underwriter shall use all reasonable endeavours to ensure that each of the sub-underwriters or subscribers or purchasers of the Underwritten Shares procured by it (i) shall be third party independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with the Company, any of the Directors, chief executive of the Company or substantial shareholders of the Company or their respective associates (as defined in the GEM Listing Rules); and (ii) shall not, together with any party acting in concert (within the meaning of the Takeovers Code) with it, hold such number of Underwritten Shares which will trigger a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of such sub-underwriters or subscribers or purchasers and parties acting in concert (within the meaning of the Takeovers Code) with it upon completion of the Rights Issue; and
- c. the Underwriter shall use all reasonable endeavours to procure that the minimum public float requirement under the GEM Listing Rules be fulfilled by the Company upon completion of the Rights Issue.

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

The Company is an investment holding company and the Group is principally engaged in (i) wine trading; and (ii) production and sales of food products in Hong Kong.

The Company is seeking to conduct the Rights Issue to raise funds to repay some of its outstanding borrowings and other payables, for business development costs for the Group's wine trading business, and to replenish the future working capital of the Group so as to reduce finance costs and improve the Group's profitability and cash flow.

The gross proceeds from the Rights Issue will be approximately HK\$29.3 million. The net proceeds from the Rights Issue after deducting the estimated expenses in relation to the Rights Issue are estimated to be approximately HK\$25.9 million (the "**Net Proceeds**"). The Company intends to use the net proceeds from the Rights Issue as to:

- (i) approximately HK\$18.4 million, representing approximately 71.04% of the Net Proceeds, for the repayment of certain borrowings and other payables due within the period from June 2022 to May 2023, including (1) repayment of a term loan from a bank with outstanding principal amount of approximately HK\$0.3 million carrying 3.25% interest per annum and maturing on 30 June 2022; (2) repayment of a term loan from a bank of approximately HK\$1.0 million, the outstanding principal amount of which at the Latest Practicable Date is approximately HK\$3.7 million, carrying interest at 2.75% per annum and maturing on 1 December 2025; (3) the promissory note issued to a company owned by the director of a subsidiary of the Company with outstanding amount of approximately HK\$3.8 million carrying interest at 2% per annum and maturing on 30 September 2022; (4) short-term loans from one of the Company's major suppliers of approximately HK\$8.2 million payable in October 2022; and (5) other payables owed to an independent third party of approximately HK\$5.1 million payable in December 2022;

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## LETTER FROM THE BOARD

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- (ii) approximately HK\$4.0 million, representing approximately 15.45% of the Net Proceeds, as business development expenses to further develop the Group's customer network and strengthen brand awareness, expected to be utilised within 6 months; and
- (iii) the balance of approximately HK\$3.5 million, representing approximately 13.51% of the Net Proceeds, as general working capital of the Group, expected to be utilised within 12 months.

Based on the Company's overall plans to continue the development and strengthening of the wine business and to maintain the status quo of the food production business, and the management's approximate estimates, the expectation is that apart from the intended uses of the Net Proceeds as disclosed above, there will not be further funding needs or material changes in the operations of the Group in the next 12 months. As such, based on the best knowledge and understanding of the Board, the Net Proceeds will be sufficient to satisfy the Group's expected funding needs for the next 12 months.

The estimated net price per Rights Share (assuming no further issue of new Shares or repurchase of Shares on or before the Record Date) after deducting the related expenses of the Rights Issue will be approximately HK\$0.09.

The Board is of the view that the Rights Issue will enable the Group to strengthen its competitiveness and capital base, and improve its financial position.

Despite the inherent dilutive nature of the Rights Issue in general if the Qualifying Shareholders do not take up their entitlements under the Rights Issue in full, it is the intention of the Company to set the Subscription Price at a discount to the current market price of the Shares in order to encourage the Shareholders to participate in the Rights Issue and reduce the possible dilution of 33.3% to the shareholding of the existing Shareholders in case they decide not to take up their entitlements under the Rights Issue. Furthermore, the Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding in the Company and participate in the growth and development of the Group. Accordingly, the Directors are of the view that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole. **However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted upon completion of the Rights Issue.**

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## LETTER FROM THE BOARD

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The Board considers it is prudent to finance the Group's long term growth by long term financing, preferably in the form of equity which will not increase the Group's finance costs. The Board has considered other fundraising alternatives before resolving to the Rights Issue, including but not limited to debt financing and placing. The Board considers debt financing not desirable as it will result in additional interest expenses and higher gearing ratio of the Group, which will have negative impact to the profitability of the Company in the future. On the other hand, placing of new Shares will inevitably dilute the shareholding of current Shareholders. The Board considers that the Rights Issue would reduce the finance expenses of the Group by utilising the Net Proceeds for repayment of the part of the existing bank borrowings and would allow all Qualifying Shareholders to participate in the future development of the Company and at the same time offer more flexibility to the Qualifying Shareholders to choose whether to maintain, increase or decrease their respective pro-rata shareholdings in the Company by taking up only their respective rights entitlement, acquiring additional rights entitlement or disposing of their rights entitlements in the open market (subject to availability).

In view of the above, the Board considered that raising funds by way of the Rights Issue is beneficial to the Company and its Shareholders as a whole.

**The Board wishes to stress that any estimations contained in this section is preliminary and based solely on reasonable projections for the anticipated growth in the Group, conducted by the Company by adopting a prudent approach, and is for reference only. The Company's business operations and financial position may differ in the future. Shareholders and potential investors generally should exercise caution when relying on the estimations in this section.**

### IMPLICATIONS UNDER THE GEM LISTING RULES

As at the date of this Prospectus, Ms. Huang owns 63,835,200 Shares, representing 10.88% of the issued share capital of the Company and is an executive Director and substantial shareholder of the Company. Therefore, Ms. Huang is a connected person of the Company pursuant to Chapter 20 of the GEM Listing Rules. According to Rule 20.90(1) of the GEM Listing Rules, the issue of the Rights Shares to Ms. Huang as its pro-rata entitlement under the Rights Issue constitutes an exempt connected transaction of the Company.

As the Rights Issue will not increase either the number of issued shares or the market capitalisation of the Company by more than 50% within the 12-month period immediately preceding the date of this Prospectus, and the Rights Issue is fully underwritten by the Underwriter who is not director, chief executive or substantial shareholder of the Company (or an associate of any of them), pursuant to Rule 10.29 of the GEM Listing Rules, the Rights Issue is not subject to the approval of the Shareholders.



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## LETTER FROM THE BOARD

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

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Rights Issue may or may not proceed.

Shareholders should note that the Shares have been dealt in on an ex-rights basis commencing from Wednesday, 1 June 2022. Dealings in the Rights Shares in the nil-paid form will take place from Wednesday, 15 June 2022 to Wednesday, 22 June 2022 (both dates inclusive).

Any Shareholder or other person contemplating selling or purchasing the Shares and/ or nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled will bear the risk that the Rights Issue may not become unconditional and may not proceed. Shareholders and the public are reminded to exercise caution when dealing in the Shares and any dealings in the Rights Shares in their nil-paid form from Wednesday, 15 June 2022 to Wednesday, 22 June 2022 (both dates inclusive) will accordingly bear the risk that the Rights Issue cannot become unconditional and may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares or nil-paid Rights Shares are recommended to consult their own professional advisers.

### **RISK FACTORS**

The Directors are aware that the Group is exposed to a variety of risks, some specific to the businesses in which the Group operates, others common risks that most businesses face. Procedures have been established by the Directors to ensure significant risks that may adversely affect the Group's operation and performance are identified and corresponding measures are in place to mitigate those risks. The following are the most significant risks that the Directors believe should be brought to the attention of Shareholders and prospective investors. These key risks are not exhaustive or comprehensive, and there may be additional risks not known by the Group or which may not appear significant now but could turn out to be so in the future.

#### **Prolonged COVID-19 outbreak**

Since the beginning of January 2020, the COVID-19 outbreak has continuously and adversely affected to the global business environment especially in Hong Kong and Mainland China. The outlook remains uncertain and it is difficult to estimate the length of the disruption caused by COVID-19 outbreak which would adversely affect the Group's businesses, financial condition and results of operations.

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## LETTER FROM THE BOARD

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### **Market Risk**

Adverse financial impacts include earnings volatility, cost volatility including changes in income and corporate taxes, transportation and fuel prices, interest rates and other operating expenses, exchange rate volatility in the currencies used by the Group, and the Australia-China political and trade tensions affecting market sentiment and status of Hong Kong, such as the excessive import duties imposed on Australian wines into China increasing cost of trades.

### **Customer Satisfaction and Reputation Risk**

Poor service may lead to impaired brand value and reputation as a trusted counterparty, which could restrict the Group's access to customers, cargoes, transportation handling, funding and talent.

### **IT Security Risk**

The Group's business processes rely heavily on IT systems (including cloud-based) and daily communications and accounting systems. Failure of a key IT system, targeted attacks on the Group's system, or a breach of security could result in communications breakdown and business disruption.

### **Increased cost resulting from climate change**

Grape is the major ingredient in wine, which is highly affected by weather. Water deficits and droughts, hail, flooding, the frequency of extreme weather events as a result of global warming and climate change all influence the way a grape is grown and its final quality. This may in turn cause a fluctuation in wine product cost. Weather is an uncontrollable factor, and there is no assurance that the Group will be able to maintain adequate product supply from other countries with promising quality. The Group may be required to increase procurement cost, which may adversely affect the Group's profitability.

### **Industry competition**

Due to the zero import custom policy in 2008 and the benefits promoted by the Government of Hong Kong, there has been a lower barrier to become wine traders in Hong Kong. Significant and sustainable effort has to be made, in order to gate keep the costing and quality of the Group's sourced wine, or it may adversely affect the Group's competitiveness in the industry in terms of pricing or product quality.

### **Economic uncertainty leading to conservative spending**

Wine is generally classified as a luxury product segmented into the medium to high-end markets. It may be highly affected by uncertainties in the economy. The Group may have to reduce the price levels or offer better business terms to attract or maintain customers, which may adversely affect the Group's performance.

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## LETTER FROM THE BOARD

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### **Food safety**

Given the nature of the food production industry, the Group faces an inherent risk of food contamination and product liability claims. Any outbreak of contamination, allegations of poor standards of hygiene or cleanliness, or adverse publicity resulting from publication of industry findings or research reports in relation to any of food ingredients used by the Group could affect public confidence in the Group's food products that may lead to a loss in consumer confidence and reduction in consumption of the particular food product concerned. The Group may also have to incur additional costs in placating any customers or salvaging its reputation or may have to look for alternative sources of food supply which may be more costly.

### **Compliance with environmental policies**

The Group endeavours to comply with laws and regulations regarding environmental protection and adopt effective measures to achieve efficient use of resources, energy saving and waste reduction. To help conserve the environment, the Group implements green office practices such as recycling, re-deployment of office furniture and reducing waste and energy consumption.

That said, any deficiency in compliance with emissions and other environmental legislation and standards may result in financial loss and significant damage to the brand and long-term sustainability of the Group's businesses.

### **FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS**

The Company has not conducted any other equity fund raising activities in the past twelve months immediately preceding the Latest Practicable Date.

### **ADDITIONAL INFORMATION**

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

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

**1. FINANCIAL INFORMATION**

The audited consolidated financial statements of the Group for the years ended 31 December 2019, 31 December 2020 and 31 December 2021, including the notes thereto, have been published in:

- the annual report of the Company for the year ended 31 December 2019 published on 26 March 2020 (pages 47 to 172) which could be accessed here:

<https://www1.hkexnews.hk/listedco/listconews/gem/2020/0326/2020032601124.pdf>

- the annual report of the Company for the year ended 31 December 2020 published on 1 April 2021 (pages 47 to 165) which could be accessed here:

<https://www1.hkexnews.hk/listedco/listconews/gem/2021/0401/2021040100127.pdf>

- the annual report of the Company for the year ended 31 December 2021 published on 31 March 2022 (pages 44 to 131) which could be accessed here:

<https://www1.hkexnews.hk/listedco/listconews/gem/2022/0331/2022033101607.pdf>

The said annual reports of the Company are also available on the Company's website at [www.palinda.com](http://www.palinda.com) and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk).

**2. INDEBTEDNESS STATEMENT**

As at the close of business on 30 April 2022, being the latest practicable date for the purpose of this indebtedness statement, the Group has the following liabilities:

**(a) Borrowings**

As at the close of business on 30 April 2022 (being the latest practicable date for the purpose of this indebtedness statement), the Group had outstanding borrowings of approximately HK\$98,248,000, comprising secured bank installment loan of approximately HK\$94,248,000 and unsecured other borrowing of approximately HK\$4,000,000 with interest of 2 % per annum.

Instalment loans are interest bearing which are ranged from 2.5% below the banks's HKD best lending rate to 5% per annum and secured by: (a) a floating charge on inventories; (b) a limited corporate guarantee by the Company; and (c) unlimited guarantees from a director of a subsidiary.

**(b) Promissory notes**

As at the close of business on 30 April 2022 (being the latest practicable date for the purpose of this indebtedness statement), the Group had outstanding promissory note with principal amount of approximately HK\$4,780,000. The promissory note is unsecured, which carries interest at 2% per annum and mature on 30 September 2022.

**(c) Lease liabilities**

The Group entered into several lease agreements for leasing of office premises and warehouses for its operations recognised as right-of-use assets and lease liabilities for the above-mentioned leases. Such lease liabilities amounted to approximately HK\$3,592,000 as at the close of business on 30 April 2022, which were classified as to approximately HK\$1,701,000 as current liabilities and approximately HK\$1,891,000 as non-current liabilities.

Save as disclosed above or otherwise mentioned in this Prospectus, and apart from intra-group liabilities and normal trade payables in the ordinary course of business, the Group did not have any other outstanding indebtedness at the close of business on 30 April 2022 or any debt securities issued and outstanding, and authorised or otherwise created but unissued, bank overdrafts, or other similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits, debentures, mortgages, charges or hire purchase commitments, or other material contingent liabilities.

**3. WORKING CAPITAL**

The Directors are of the opinion that, after taking into account the estimated net proceeds from the Rights Issue and the present available financial resources, including internally generated funds and existing banking facilities, the Group has sufficient working capital for its present requirements for at least the next 12 months from the date of this Prospectus.

**4. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2021, being the date to which the latest published audited consolidated financial statements of the Group were made up.

**5. FINANCIAL AND TRADING PROSPECT OF THE GROUP**

The Group is principally engaged in (i) wine business and (ii) food production business.

**(a) Wine Business**

The Group has expanded its business to wine trading as the major revenue segment during the year ended 31 December 2021. The Board believes the development of the wine trading business represents a good opportunity to further expand its distribution and wholesale channels. The Group's wines are mainly sourced from various reputable vineyards and wineries in Australia, with a focus on premium quality red wine as the major product. During the year ended 31 December 2021, the wine trading operation achieved encouraging results which recorded a significant increase in revenue.

During the year ended 31 December 2021, this business segment was continuously clouded by the COVID-19 pandemic which resulted in lack of social gatherings, corporate functions and public events plus increased competition causing the Group to extend credit terms, as well as adjust margins in order to attract new orders and maintain existing customers. In view of the difficult and uncertain retail situation continuing, the Group closely managed the business by cost control and provided competitive trading conditions to maintain relationship with customers.

Our Australian subsidiary had gone through difficult year as wines destined for the export market and local trades slowed, further burdened by the political tension between China and Australia. The Board has decided to lease the vineyard with building and facilities to independent third parties for yielding steady income from the assets.

As disclosed in the paragraph headed "REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS" in the Letter from the Board, the Board believes that the Rights Issue represents a good opportunity for the Group to raise funds for, among other things, business development costs for the Group's wine trading business.

**(b) Food Production Business**

The food products operation business was operated by the subsidiaries of the Company to produce and supply barbequed food through the newly promoted brand "Dai Gor BBQ" and our own retail stores to the customer in Hong Kong.

For the year ended 31 December 2021, the food products operation recorded a decrease in revenue due to the pandemic and tough competition. The revenue of the food products operation recorded a significant drop of approximately 95.9% for the year ended 31 December 2021 due to the scale down of the food productions business in the third quarter of the year ended 31 December 2020. During the year ended 31 December 2021, the Group has promoted a new brand namely "Dai Gor BBQ", which contributed only 1.6% of total revenue.

The Group will closely monitor and review the performance of existing business and may dispose of and scale down the underperforming businesses in order to concentrate resources to develop outperformance business.

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

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company (the “Unaudited Pro Forma Financial Information”) as at 31 December 2021 has been prepared by the Directors in accordance with paragraph 7.31 of the GEM Listing Rules to illustrate the effect of the proposed Rights Issue on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as if the Rights Issue had taken place on 31 December 2021.

The Unaudited Pro Forma Financial Information is prepared for illustrative purposes only, and because of its hypothetical nature, it may not reflect a true picture of the unaudited consolidated net tangible assets of the Group attributable to owners of the Company immediately after the completion of the Rights Issue.

The Unaudited Pro Forma Financial Information is prepared based on the consolidated net tangible assets of the Group attributable to owners of the Company derived from the consolidated statement of financial position of the Group as at 31 December 2021, as extracted from the published annual report of the Company for the year ended 31 December 2021, after incorporating the adjustments described in the accompanying notes.

		Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity holders of the Company after the completion of the Rights Issue	Unaudited pro forma adjusted consolidated net tangible assets per Share attributable to equity holders of the Company after the completion of the Rights Issue
Consolidated net tangible assets of the Group attributable to equity holders of the Company as at 31 December 2021 (Note 1) HK\$'000	Estimated net proceeds from Rights Issue (Note 2) HK\$'000	Consolidated net tangible assets per Share attributable to equity holders of the Company as at 31 December 2021 (Note 3) HK\$'000	Unaudited pro forma adjusted consolidated net tangible assets per Share attributable to equity holders of the Company after the completion of the Rights Issue (Note 4) HK\$'000
Rights Issue of 293,288,167 Rights Shares to be issued at the Subscription Price of HK\$0.1 per share			
	<u>305,262</u>	<u>25,940</u>	<u>331,202</u>
		<u>0.52</u>	<u>0.38</u>

*Notes:*

- 1) The amount is determined based on the consolidated net tangible assets of approximately HK\$305,262,000 after deducting non-controlling interests of approximately HK\$5,328,000 as at 31 December 2021, which is extracted from the consolidated statement of financial position of the Group as at 31 December 2021 in the published annual report of the Company.
- 2) The estimated net proceeds from the Rights Issue are based on the number of 293,288,167 Rights Shares to be issued at the Subscription Price of HK\$0.1 per Rights Share, after deduction of the estimated related expenses, including among others, transaction fees, which are directly attributable to the Rights Issue, of approximately HK\$3,388,000.
- 3) The calculation of the consolidated net tangible assets per Share attributable to equity holders of the Company as at 31 December 2021 is determined based on the consolidated net tangible assets of the Group attributable to equity holders of the Company of approximately HK\$305,262,000 divided by the number of Shares of 586,576,334 as at 31 December 2021.
- 4) The unaudited pro forma adjusted consolidated net tangible assets of the Group after the completion of the Rights Issue per share is determined based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 December 2021 for the Rights Issue of approximately HK\$331,107,000 divided by 879,864,501 shares which comprise 586,576,334 shares in issue as at 31 December 2021 and 293,288,167 Rights Shares to be issued after the completion of the Rights Issue.
- 5) No adjustments have been made to the Unaudited Pro Forma Financial Information to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2021.



**B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE  
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

*The following is the text of a letter from the reporting accountants of the Company, Elite Partners CPA Limited, Certified Public Accountants, Hong Kong, prepared for the purpose of incorporation in this Prospectus, in respect of the unaudited pro forma financial information of the Group.*



10/F.,  
8 Observatory Road,  
Tsim Sha Tsui,  
Kowloon, Hong Kong

To the Board of Directors of Palinda Group Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Palinda Group Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated net tangible assets as at 31 December 2021, and related notes (the “**Unaudited Pro Forma Financial Information**”) as set out on pages II – 1 to II – 2 of the prospectus dated 13 June 2022 issued by the Company (the “**Prospectus**”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed rights issue of 293,288,167 rights shares at the subscription price of HK\$0.1 per rights share on the basis of one rights share for every two existing shares of the Company held on the record date (the “**Rights Issue**”) on the Group’s financial position as at 31 December 2021 as if the Rights Issue had taken place as at 31 December 2021. As part of this process, information about the Group’s net tangible assets has been extracted by the Directors from the Group’s consolidated statement of financial position as at 31 December 2021, on which an annual report has been published.

**Directors' responsibility for the Unaudited Pro Forma Financial Information**

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

**Our independence and quality control**

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

Our firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting accountants' responsibilities**

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

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

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

The purpose of Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the Rights Issue on unadjusted financial information of the Group as if the Rights Issue had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Rights Issue would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the Rights Issue, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the Rights Issue in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

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

**Opinion**

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 7.31 (1) of the GEM Listing Rules.

Yours faithfully,

**Elite Partners CPA Limited**

*Certified Public Accountants*

Hong Kong

**Chan Wai Nam, William**

Practising Certificate Number: P05957

13 June 2022

## 1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

## 2. SHARE CAPITAL

### (a) As at the Latest Practicable Date

<i>Authorised:</i>		<i>HK\$</i>
<u>1,000,000,000</u>	Shares of HK\$0.1 each	<u>100,000,000</u>
 <i>Issued and fully-paid or credited as fully paid:</i>		
<u>586,576,334</u>	Shares of HK\$0.1 each in issue	<u>58,657,633.4</u>

### (b) Immediately following completion of the Rights Issue, assuming no Shares are allotted and issued or repurchased by the Company from the Latest Practicable Date up to completion of the Rights Issue

<i>Authorised:</i>		<i>HK\$</i>
<u>1,000,000,000</u>	Shares of HK\$0.1 each	<u>100,000,000</u>
 <i>Issued and fully-paid:</i>		
586,576,334	Shares of HK\$0.1 each in issue	58,657,633.4
293,288,167	Rights Shares of HK\$0.1 each to be allotted and issued upon the completion of the Rights Issue	29,328,816.7
<u>879,864,501</u>	Shares of HK\$0.1 each in issue immediately after the completion of the Rights Issue	<u>87,986,450.1</u>

As at the Latest Practicable Date, the Company had no outstanding convertible securities, options or warrants in issue or similar rights which confer any right to subscribe for, convert or exchange into Shares or any agreement or arrangement to issue Shares.

As at the Latest Practicable Date, no share or loan capital of the Company or any members of the Group had been put under option or agreed conditionally or unconditionally to be put under option.

All issued Shares rank *pari passu* in all respects with each other, including, in particular, as to rights to dividends, voting rights and return of capital.

The Rights Shares to be allotted and issued will, when issued, rank *pari passu* in all respects with the Shares then in issue. Holders of the Rights Shares will be entitled to receive all dividends and distributions which may be declared, made or paid on or after the date of issue of Rights Shares. As at the Latest Practicable Date, there was no arrangement under which future dividends are waived or agreed to be waived.

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

### 3. DISCLOSURE OF INTERESTS

**(a) Interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and the Company's associated corporations**

***Interests in the Company***

As at the Latest Practicable Date, the interests or short positions of the Directors and the chief executive 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 SFO which (a) were required 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) were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required, 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 the Shares*

Name	Nature of interest	Total number of shares held	Approximate percentage of shareholding as at the Latest Practicable Date
Ms. Huang Wei	Beneficial owner	63,835,200	10.88%

Saved as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had, or 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 (a) were required 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) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, 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.

**(b) Substantial shareholders' interests and short positions in the Shares, underlying Shares and debentures of the Company**

So far as the Directors are aware, as at the Latest Practicable Date, no parties (other than the Directors and chief executive of the Company) have interest or short position in the shares or underlying shares 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 were 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.

**4. DISCLOSURE OF OTHER INTERESTS**

**(a) Service Agreements**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which does not expire or is not terminable by such member of the Group within one year without payment of compensation (other than statutory compensation).

**(b) Competing interests**

As at the Latest Practicable Date, none of the Directors, controlling shareholders and their respective close associates had any interest in any business which competes or might compete, either directly or indirectly, with the businesses of the Group.

**(c) Directors' interests in contracts and arrangements**

As at the Latest Practicable Date, none of the Directors were materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group.

**(d) Directors' interests in assets**

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2021 (being the date to which the latest published audited consolidated accounts of the Company were made up), (i) acquired or disposed of by; or (ii) leased to; or (iii) proposed to be acquired or disposed of by; or (iv) proposed to be leased to, any member of the Group.

**5. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE****Registered Office**

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

**Headquarters and principal place of  
business**

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



**Hong Kong branch share registrar and transfer agent****Union Registrars Limited**

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

**Principal Bankers****Industrial and Commercial Bank of China (Asia) Limited**

33/F., ICBC Tower  
3 Garden Road  
Central  
Hong Kong

**Shanghai Commercial Bank Limited**

12 Queen's Road Central  
Hong Kong

**Underwriter****Raffaello Securities (HK) Limited**

7th Floor, Central 88  
88-98 Des Voeux Road Central  
Hong Kong

**Legal Advisers to the Company as to Hong Kong laws****ONC Lawyers**

*Solicitors, Hong Kong*  
19th Floor, Three Exchange Square  
8 Connaught Place  
Central  
Hong Kong

**Auditors****Elite Partners CPA Limited**

*Certified Public Accountants*  
10th Floor  
8 Observatory Road  
Tsim Sha Tsui, Kowloon  
Hong Kong

<b>Audit Committee</b>	Mr. Lee Lap Keung ( <i>Chairman</i> ) Mr. So Yat Chuen Dr. Wu Wing Kuen, <i>B.B.S.</i>
<b>Remuneration Committee</b>	Mr. So Yat Chuen ( <i>Chairman</i> ) Mr. Lee Lap Keung Dr. Wu Wing Kuen, <i>B.B.S.</i>
<b>Nomination Committee</b>	Mr. So Yat Chuen ( <i>Chairman</i> ) Mr. Lee Lap Keung Dr. Wu Wing Kuen, <i>B.B.S.</i>
<b>Company Secretary</b>	Mr. Wong Wai Chun, Alex
<b>Authorised representatives</b>	Ms. Huang Wei Mr. Wong Wai Chun, Alex
<b>Business address of all Directors and authorised representatives</b>	Unit 306-A201, 3/F. Harbour Centre, Tower 1 1 Hok Cheung Street Hungghom, Kowloon Hong Kong

## 6. LITIGATION

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

## 7. MATERIAL CONTRACTS

During the two years immediately preceding the date of this Prospectus, the following contract (not being contract entered into in the ordinary course of business of the Company) has been entered into by the Group and is or may be material:

- (a) the Underwriting Agreement entered into between the Company and the Underwriter dated 28 April 2022 for underwriting arrangement in respect of 261,370,567 Rights Shares at an underwriting commission in the sum of HK\$2.07 million. Detailed particulars of the Underwriting Agreement have been set out in the paragraph headed “UNDERWRITING ARRANGEMENT AND UNDERTAKING” in the Letter from the Board of this Prospectus.

## 8. PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

### Executive Directors

**Ms. Huang Wei**, aged 54, was appointed as an executive Director on 12 August 2019, as an authorised representative and a compliance officer of the Company on 24 October 2019 and as a chairlady on 30 September 2019. Ms. Huang obtained a Bachelor of Business (Accounting) degree from Central Queensland University in 1997. Ms. Huang has over 20 years of experience in financial management aspects. She is also a director of certain subsidiaries of the Group and is responsible for overall management and strategic planning of the Group.

**Mr. Dou Sheng**, aged 43, was appointed as an executive Director on 24 October 2019. He obtained a Bachelor degree in Material Science and Engineering from the Henan University of Science and Technology in 2002. He has over 10 years of experience in sales distribution and marketing in China. He is also a director of certain subsidiaries of the Group and is responsible for business development and marketing of the Group.

### Independent Non-executive Directors

**Mr. Lee Lap Keung**, aged 39, was appointed an independent non-executive Director on 22 February 2019. He is also the chairman of the Audit Committee and member of the Nomination Committee and Remuneration Committee. Mr. Lee has over 6 years' experience of external and internal audit in international accountancy firms and 2 years as a senior manager and head of auditing at Jimei International Entertainment Group Limited (now known as Starlight Culture Entertainment Group Limited), the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1159).

Mr. Lee has experience in financial and internal audit together with compliance aspects for private and listed companies for various industries. He is currently the company secretary of Hevol Services Group Company Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 6093). He obtained his bachelor degree in Business Administration (Honours) in Accountancy from the City University of Hong Kong in 2008. He is a member of the Hong Kong Institute of Certified Public Accountants.

**Mr. So Yat Chuen**, aged 53, was appointed an independent non-executive Director on 22 February 2019. He is also the chairman of the Nomination Committee and Remuneration Committee and a member of the Audit Committee. Mr. So is a solicitor of the High Court of the Hong Kong Special Administrative Region and has over 22 years of experience in legal sector. Mr. So obtained a Bachelor of Laws degree from Peking University, a Post-graduate Diploma in English and Hong Kong Law from Manchester Metropolitan University in 2001 and a Master of Laws degree from the University of Greenwich in 2016.

**Dr. Wu Wing Kuen, B.B.S.**, aged 65, was appointed an independent non-executive Director on 16 January 2019. He is also a member of the Nomination Committee, Audit Committee and Remuneration Committee. Dr. Wu has over 25 years of experience in real estate investment. He has been serving as director of Jet View Investment Limited since December 1991 and as director of Jade Mind Investment Limited since October 2004. Both companies are principally engaged in real estate investments. Dr. Wu has also been serving as independent non-executive director of Nanfang Communication Holdings Limited (stock code: 1617) and HG Semiconductor Limited (stock code: 6908), the shares of which are listed on the Main Board of the Stock Exchange, since November 2016 and December 2016 respectively. Dr. Wu has also been serving as independent non-executive director of the EFT Solutions Holdings Limited (stock code: 8343), the shares of which are listed on the GEM since March 2019. Dr. Wu obtained his doctoral degree in business administration from the Clayton University in the United States in June 1989.

#### **Senior Management and Company Secretary**

**Mr. Wong Wai Chun, Alex**, was appointed as company secretary and authorised representative of the Company on 3 September 2021. He obtained a bachelor degree in Accounting and Finance at the University of Glamorgan (now known as the University of South Wales) in the United Kingdom and has over 10 years of experience in auditing and accounting field. He served as an independent non-executive director of North Mining Shares Company Limited (stock code: 433) from April 2019 to December 2021 and served as an independent non-executive director of China Gem Holdings Limited (stock code: 1191) from May 2017 to May 2020. Mr. Wong is also a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Accountants.

#### **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 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 auditor by reference to the work performed by the auditor, their fees and terms of engagement, and make recommendation to the Board on the appointment, re-appointment and removal of external auditor. The Audit Committee currently consists of three independent non-executive Directors, namely Mr. Lee Lap Keung, Mr. So Yat Chuen and Dr. Wu Wing Kuen, *B.B.S.*. Mr. Lee Lap Keung is the chairman of the Audit Committee.

**9. EXPERT AND CONSENT**

The following is the qualification of the expert who has given opinions or advice which are contained in this Prospectus:

<b>Name</b>	<b>Qualification</b>
Elite Partners CPA Limited	Certified Public Accountants

The above expert has given, and has not withdrawn, its written consent to the issue of this Prospectus with the inclusion of its letter and references to its name in the form and context in which they appear.

As at the Latest Practicable Date, the above expert did not have any shareholding, direct or indirect, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any interest, direct or indirect, in any asset which have been since 31 December 2021, being the date on which the latest published audited financial statements of the Group were made up, acquired or disposed of or leased to any member of the Group or were proposed to be acquired or disposed of or leased to any member of the Group.

**10. RESTRICTION AFFECTING REMITTANCE OF PROFIT AND CAPITAL**

The Directors are not aware of any restriction affecting the remittance of profits or repatriation of capital of the Group into Hong Kong from outside Hong Kong.

**11. FOREIGN EXCHANGE LIABILITIES**

Other than the operations of the Group's Australian subsidiary being denominated in Australian Dollars, the Group's business operations, assets and liabilities are mainly denominated in HK\$. The Group has not entered into agreements or financial instruments to hedge the Group's exchange rate risks, but manages foreign currency risk by closely monitoring the movement of the foreign currency rates.

The Company does not have any forecasted or planned dividends that will be required to be paid with foreign exchange. The Company will have sufficient cash and cash equivalents to meet its foreign exchange liabilities as they become due.

**12. EXPENSES**

The expenses in connection with the Rights Issue, including underwriting commission, printing, registration, translation, legal and accountancy charges and other related expenses, are estimated to amount to approximately HK\$3.4 million and are payable by the Company.

**13. BINDING EFFECT**

The Prospectus Documents and all acceptance of any offer or application contained therein are governed by and shall be construed in accordance with the laws of Hong Kong. The Prospectus Documents shall have the effect, if an application is made pursuant hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

**14. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES**

A copy of each of the Prospectus Documents, having attached thereto the written consent referred to in the paragraph headed “9. EXPERT AND CONSENT” in this appendix, have been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

**15. DOCUMENTS ON DISPLAY**

The following documents are available on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.palinda.com](http://www.palinda.com)) for a period of 14 days from the date of this Prospectus:

- (a) the material contracts referred to the paragraph headed “7. MATERIAL CONTRACTS” in this appendix;
- (b) the annual reports of the Company for the years ended 31 December 2019, 31 December 2020 and 31 December 2021;
- (c) the letter from Elite Partners CPA Limited on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this Prospectus;
- (d) the letter of written consent referred to in the paragraph headed “9. EXPERT AND CONSENT” in this appendix; and
- (e) the Prospectus Documents.

**16. MISCELLANEOUS**

The English text of this Prospectus shall prevail over the Chinese text in case of any inconsistency.