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Linocraft Holdings Limited

東駿控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8383)

PROFIT WARNING

This announcement is made by Linocraft Holdings Limited (the “**Company**”) and together with its subsidiaries, (collectively the “**Group**”) pursuant to Rule 17.10 of the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board (the “**Board**”) of directors of the Company (the “**Directors**”) wishes to inform the shareholders (the “**Shareholders**”) of the Company and potential investors that, based on the information currently available to the Board, the Group is expected to record a significant decrease of approximately 50% to 65% in profit attributable to Shareholders, though there is an increase of approximately 8% in revenue for the year ended 31 August 2020 (the “**FY2020**”), as compared to last financial year ended 31 August 2019.

Reference was made to the third quarterly report of the Company for the nine months ended 31 May 2020 published on 15 July 2020. Due to the sudden and rapid spread of the COVID-19 across the globe in early 2020 (the “**Pandemic**”), a series of precautionary and control measures have been undertaken by governments across the world including Hong Kong, Malaysia and the Philippines and weakened sentiment in customer consumption, our operations and financial performance will be adversely impacted for the second half of the year. Our senior management is closely monitoring the market situation and continuously evaluating the impact of the Pandemic on the Group’s operation and financial performance.

Despite the control measures adopted and the business disruption, our management has strived to develop new customers and maintain a close working relationship with existing customers in order to minimize the adverse impact on the operations of the Group. In addition, the demand from our existing customers which are involved in the field of innovative healthcare products surged, resulting in an increase of approximately 30% and approximately 8% in revenue for the three months ended 31 August 2020 and FY2020 respectively, as compared to the corresponding periods last year. The resulting profit for FY2020 was significantly affected by the lockdown measures due to the Pandemic as the Group continued to shoulder all overhead costs during the lockdown period and incurred additional expenses to comply with COVID-19 safety regulations

in Malaysia and the Philippines. The Group has also made additional deferred taxation provision for FY2020.

The Company is in the process of finalizing the results for FY2020. The information contained in this announcement is only based on a preliminary assessment by the Board based on the information currently available and is subject to any adjustments if necessary. The results for FY2020 are expected to be published by no later than 30 November 2020.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Linocraft Holdings Limited
Tan Woon Chay
Executive Director

Hong Kong, 2 November 2020

As at the date of this announcement, the executive Directors are Mr. Ong Yoong Nyock and Mr. Tan Woon Chay and the independent non-executive Directors are Mr. Choy Wing Keung David, Mr. Liew Weng Keat and Mr. Teoh Cheng Tun.

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

This announcement will remain on the "Latest Company Announcements" page of the GEM website at <http://www.hkgem.com> for a minimum period of seven days from the date of its publication and on the Company's website at <http://www.linocraftprinters.com>.