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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”, together with its subsidiaries, the “Group”) pursuant to Rule 17.10 of the Rules (the “GEM Listing Rules”) Governing the Listing of Securities on the Growth Enterprise Market (“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 “SFO”).

The board of directors of the Company (the “Board”) wishes to inform the shareholders of the Company and potential investors that, based on the Group’s draft unaudited consolidated management accounts for the year ended 31 August 2017 (“Year 2017”), the Group is expected to record a loss for Year 2017 as compared to the profit for the year ended 31 August 2016 (“Year 2016”). The loss was mainly attributable to the following reasons as disclosed in the prospectus:

- (i) a decrease in our gross profit as the gross profit margin decreased from 22% in Year 2016 to 16% in Year 2017;
- (ii) the recognition of one off listing expense for Year 2017;
- (iii) start-up operation cost for our Philippine subsidiary; and
- (iv) an increase in distribution cost due to transportation of products to fulfil orders of the contract manufacturer of Company D in the Philippines.

Saved as disclosed above, additional listing expenses were incurred upon the listing comparing to the estimated listing expenses of approximately RM 7.8 million as stated in the prospectus.

Excluding the impact of one-off listing expenses, the net profit (i.e. adding back the one-off listing expense to the net loss) attributable to the owners for Year 2017 would have decreased by approximately 60% as compared to Year 2016.

The information in this announcement is only based on the information currently available to the Company and the draft unaudited consolidated management accounts of the Group for Year 2017, which have not been finalized as at the date of this announcement. The financial result of the Group for Year 2017 will be announced on 23 November 2017.

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

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

Hong Kong, 20 November 2017

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 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>.