

# Consolidated Statement of Changes in Equity

For the year ended 31 August 2017

	Reserves				Total RM'000
	Share capital (Note 3.1)	Share premium RM'000	Merger reserve RM'000	Exchange reserve RM'000	
<b>Balance at 1 September 2015</b>	2,000	—	—	(250)	23,278
Dividends paid (Note 1.0)	—	—	—	—	(1,500)
Profit for the year	—	—	—	—	8,462
Other comprehensive income	—	—	—	(5)	(5)
<b>Total comprehensive income</b>	—	—	—	(5)	8,462
<b>Balance at 31 August 2016 and 1 September 2016</b>	2,000	—	—	(255)	30,240
Loss for the year	—	—	—	—	(6,196)
Other comprehensive income	—	—	—	(15)	—
<b>Total comprehensive income</b>	—	—	—	(15)	(6,196)
<b>Balance at 31 August 2017</b>	2,000	—	—	(270)	24,044
Issuance of new shares related to pre-IPO Reorganisation (Note 3.1)	(81)	(6,587)	—	—	(6,668)
Issue of ordinary share for re-organisation (Note 3.1)	(2,081)	(6,587)	(8,548)	—	(17,216)
<b>Balance at 31 August 2017</b>	—	—	—	(270)	6,328

\* Represents amount less than RM1,000

# Consolidated Statement of Cash Flows

For the year ended 31 August 2017

	2017 RM'000	2016 RM'000	Notes
<b>Cash flows from operating activities</b>	(3,992)	11,282	
(Loss)/profit before income tax expense			
Adjustments for:			
Allowance for obsolete inventories, net	[4]	643	
Depreciation of property, plant and equipment	[3,823]	2,896	
Bad debts written off	—	9	
Doubtful debts recovered	[113]	(174)	
Provision for doubtful debts	[52]	11	
Finance costs	[2,503]	2,363	
Share of profit in an associate	[11]	(41)	14
Share of loss in a joint venture	[104]	—	
Unrealised gain on foreign exchange	[403]	333	
Change in fair value of derivative financial instruments	—	(59)	
Loss on disposal of property, plant and equipment	[23]	—	
Gain on disposal of subsidiaries	[597]	—	38
<b>Operating profit before working capital changes</b>	[3,503]	17,263	
Increase in inventories	[5,312]	(6,009)	
(Increase)/decrease in trade and other receivables	[19,600]	1,536	
Increase in trade and other payables	[15,816]	2,070	
<b>Cash (used in)/generated from operations</b>	[5,593]	14,860	
Interest paid	[2,503]	(2,363)	
Income taxes paid	[480]	—	
<b>Net cash (used in)/generated from operating activities</b>	[8,576]	12,497	
<b>Cash flows from investing activities</b>	[2,204]	(987)	
Increase in prepayment for acquisition of property, plant and equipment	[146]	1,265	
(Increase)/decrease in amounts due from related companies	[5,743]	(11,943)	
Purchase of property, plant and equipment	[12]	—	
Proceeds from disposal of property, plant and equipment	[9]	—	
Disposal of subsidiaries	[38]	—	38
<b>Net cash used in investing activities</b>	[7,950]	(11,665)	

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## Consolidated Statement of Cash Flows

For the year ended 31 August 2017

	2017 RM'000	2016 RM'000
<b>Cash flows from financing activities</b>		
Dividends paid	—	(1,500)
Proceeds from issuing shares at premium	[6,548]	—
Proceeds from bank borrowings	[18,898]	11,923
Decrease in amounts due to related companies	[(3,774)]	(3,017)
Repayment of bank borrowings	[(9,630)]	(3,690)
Repayment of finance lease	[(574)]	(258)
<b>Net cash generated from financing activities</b>	<b>[11,468]</b>	<b>3,458</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>[(5,098)]</b>	<b>4,290</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>[3,658]</b>	<b>(632)</b>
<b>Cash and cash equivalents at end of year</b>	<b>[(1,440)]</b>	<b>3,658</b>
<b>An analysis of balances of cash and cash equivalents</b>		
Bank and cash balances	[4,406]	4,032
Bank overdrafts	[(5,846)]	(374)
	<b>28</b>	<b>3,658</b>

## Notes to the Financial Statements

For the year ended 31 August 2017

### 1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 13 April 2017 under the Companies Law, Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands. Its principal place of business in Hong Kong and Malaysia is located at Unit 1302, 13/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong and Lot 1769, Jalan Belati, Off Jalan Kempas Lama, Taman Perindustrian Maju Jaya, 81300 Johor Bahru, Johor Darul Takzim, Malaysia, respectively.

The Company is an investment holding company and the principal activities of its subsidiaries (together with the Company, collectively referred to as the "Group") are set out in Note 34.

The Company's parent is Linocraft Investment Pte Limited (the "Linocraft Investment"), a company incorporated in the British Virgin Islands (the "BVI"). In the opinion of the directors, Charlecoate Sdn. Bhd. is the ultimate parent of the Company, which is a company with limited liability incorporated in Malaysia.

### 2. REORGANISATION AND BASIS OF PRESENTATION

Pursuant to a group reorganisation (the "Group Reorganisation") carried out by the Group in preparation for the listing of shares of the Company on the Growth Enterprise Market (the "GEM") of the Stock Exchange, the Company became the holding company of the subsidiaries now comprising the Group on 31 July 2017. Details of the Group Reorganisation are as set out in the section headed "History, Development and Corporate Structure" to the prospectus issued by the Company dated 31 August 2017.

Immediately prior to and after the Group Reorganisation the principal activities is engaged in printing and manufacture of instruction manual, packaging product and printed paper labels (the "Listing Business"). The Listing Business was carried out by Linocraft Printers Sdn. Bhd. and its subsidiaries ~~previously~~ which were under the control of the Charlecoate Sdn. Bhd. Pursuant to the Reorganisation, Linocraft Printers Sdn. Bhd. and its subsidiaries are under the effective control of Linocraft International Limited, and ultimately the Company.

The Company has not been involved in any other business prior to the Group Reorganisation and its operations do not meet the definition of business. The Group Reorganisation is merely a reorganisation of the Listing Business and does not result in any change in business substance, nor in any management or controlling shareholder of the Listing Business, before and after the Group Reorganisation. Accordingly, the financial information of the companies now comprising the Group is presented using the carrying value of the Listing Business for all periods presents.

