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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)

SUPPLEMENTAL ANNOUNCEMENT TO 2019 ANNUAL REPORT — USE OF PROCEEDS

References are made to the section headed “*Future Plans and Use of Proceeds*” of the prospectus of Linocraft Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 31 August 2017 (the “**Prospectus**”), and the section headed “*Use of Proceeds*” under “*Chairman’s Statement & Management Discussion and Analysis*” in the annual report of the Company for the year ended 31 August 2019 published on 28 November 2019 (the “**2019 Annual Report**”). Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the 2019 Annual Report.

The net proceeds of the Listing (after deducting the underwriting fees and all related expenses in connection to the Listing) amounted to approximately HK\$61.0 million. During the Relevant Period, an accumulated amount of approximately HK\$50.9 million out of the proceeds had been utilized by the Group according to the allocation set out in the Prospectus, and the remaining unutilized proceeds amounted to approximately HK\$10.1 million.

In addition to the information disclosed in the section headed “*Use of Proceeds*” under “*Chairman’s Statement & Management Discussion and Analysis*” in the 2019 Annual Report, the Board would like to provide additional information for balance and expected timeline of unutilized proceeds in the following table:

	Planned use of net proceeds as stated in the Prospectus during the Relevant Period		Actual use of proceeds during the Relevant Period	Balance of Unutilized proceeds as at 31 August 2019	Expected Timeline for Unutilized proceeds
	%	HK\$ million	HK\$ million	HK\$ million	
Diversified customer industry — expansion into other industries	10.1	6.0	5.0	1.0	31 August 2021
Product line expansion	23.3	14.2	10.1	4.1	31 August 2021
Geographical expansion	45.8	28.1	23.1	5.0	31 August 2021
Repayment of bank loan	11.7	7.1	7.1	—	
General working capital	9.1	5.6	5.6	—	
	<u>100</u>	<u>61.0</u>	<u>50.9</u>	<u>10.1</u>	

Note: Figures as shown in this table have been subject to rounding adjustments and are approximate only.

The Board currently has no intention to change the planned use of net proceeds as stated in the Prospectus and the 2019 Annual Report. The expected timeline for using the unutilized proceeds is based on the best estimation of the business market situations made by the Board. It might be subject to changes based on the market conditions.

This announcement is made to provide supplemental information to the 2019 Annual Report and indicate the expected timeline for the full utilization of the balance of the net proceeds. Nevertheless, it does not affect any information contained in the 2019 Annual Report, save as disclosed above, the contents of the 2019 Annual Report remain unchanged.

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

Hong Kong, 24 August 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 GEM Listing Rule 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>.