

**LINOCRAFT HOLDINGS LTD:
MANAGEMENT SUFFERS FROM THE SYMPTOMATIC MALAISE
OF TOO MANY OF ITS PEER COMPANIES**

One of the latest companies to seek a listing on the secondary equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) is Linocraft Holdings Ltd () (Code: 8383, The **G**rowth **E**nterprise **M**arket [the **GEM**] of The Stock Exchange of Hongkong Ltd).

The predecessor company of Linocraft Holdings Ltd was Linocraft Printers Sdn Bhd, having been founded in Malaysia on June 28, 1972.

Thus, the Company is today some 45 years old, having been founded by Mr and Mrs Ong Yoon Nyock.

(Mrs Ong Yoon Nyock, prior to her marriage to Mr Ong Yoon Nyock, was known as Ms Yong Kwee Lian.)

In respect of the nine months, ended May 31, 2017, Linocraft Holdings Ltd reported a Loss Attributable to Shareholders of about 54,000 Malaysian ringgit (RM), equivalent to about \$HK97,200.

The Initial Public Offering (IPO) Of Linocraft Holdings Ltd

The Share Offer Prospectus of Linocraft Holdings Ltd was published and disseminated on August 31, 2017.

Management of this Company Offered a total of 200 million, one-cent Shares at the Indicative Offer Price Per Share, ranging from a low of 25 cents to a high of 40 cents.

A total of 20 million Shares was Offered to investors of the HKSAR by subscription and 180 million Shares were destined to the Placed, presumably, to professional/institutional/compulsive investors, presumably all

with sufficiently deep pockets.

Applications for the Shares on Offer closed yesterday.

At the midpoint of the Indicative Offer Price Per Share, being 32.50 cents, Page 173 of the Share Offer Prospectus stated that the Company anticipated netting about \$HK46.30 million from this cash-raising exercise.

This relatively modest amount of money is to be utilised as follows, one is told at Pages 173 and 174:

- Approximately, 10.10 percent of the net proceeds, that is about \$HK4.70 million, *‘will be used for expansion of business into other industries such as FMCG (Fast Moving Consumer Goods), medical and cosmetics, and food and beverage’*;
- Approximately, 23.30 percent of the net proceeds, that is about \$HK10.80 million, *‘will be used for product line expansion to increase our product offering’*;
- Approximately, 45.80 percent of the net proceeds, that is about \$HK21.20 million, *‘will be used for geographical expansion in order to gain access to new markets’*;
- Approximately, 11.70 percent of net proceeds, that is about \$HK5.40 million, *‘will be used to repay a portion of outstanding bank loans with interest rate of approximately 5.0% (based on interest rate as at the Latest Practicable Date – August 22, 2017) and maturity date ranging from 2018 to 2024. Part of the loans to be discharged was incurred in December 2016, the borrowings were used for purchase of equipment and machinery and working capital’*; and,
- Approximately, 9.10 percent of net proceeds, that is about \$HK4.20 million, *‘will be used as our working capital and other general corporate uses’*.

The Business Of Linocraft Holdings Ltd

The business of ... [CLICK TO ORDER FULL ARTICLE](#)

While TARGET makes every attempt to ensure accuracy of all data published, TARGET cannot be held responsible for any errors and/or omissions.

If readers feel that they would like to voice their opinions about that which they have read in TARGET, please feel free to e-mail your views to editor@targetnewspapers.com. TARGET does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.