

TARGET

Intelligence Report

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LINOCRAFT HOLDINGS LTD: THE COMPANY POSTED A LOSS IN THE FIRST QUARTER

**This Was The Company's First Negative Result
With Regard To The Past 60 Months**

Linocraft Holdings Ltd (東駿控股有限公司) (Code: 8383, The Growth Enterprise Market – The GEM – The Stock Exchange of Hongkong Ltd) had enjoyed five Financial Years of that which could well be described as days of wine and roses.

But those halcyon days may be coming to an abrupt end by indications that have recently become only too apparent.

The entire Issued and Fully Paid-Up Share Capital of Linocraft Holdings Ltd was listed on the GEM on September 15, 2017, by way of a Share Offer.

The Company raised a total of \$HK61 million, net of expenses, in this cash-raising exercise.

But, on or about Thursday, January 12, 2023, shareholders received that which could well be described as a rather rude awakening.

In the First Quarterly Report 2022/2023 of Linocraft Holdings Ltd in respect of the three months, ended November 30, 2022, that Report, having been published and disseminated in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), shareholders were informed that the Company had suffered a Net Loss of Malaysian Ringgits (RM) 6,073,000.00 (equivalent to about \$HK10,743,137.00).

At Page Three of the First Quarterly Report 2022/2023, one was presented with the following '**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**' in respect of the three months, ended November 30, 2022:

	For The Period, Ended November 30		Percentage Increase/(Decrease)*
	2022	2021	
	All Figures Are Unaudited And Are Denominated In RM (except where otherwise stipulated)		
Revenue	68,246	75,078	(9.10)
Gross Profit	3,947	16,044	(75.40)

Gross Profit Margin*	5.78 percent	21.37 percent	(72.95)
Profit/(Loss) From Operation	(3,649)	8,499	(142.93)
Profit/(Loss) Before Income Tax Expense	(6,152)	6,650	(192.51)
Net Profit/(Loss) For The Period	(6,152)	5,550	(210.85)
Earnings/(Loss) Per Share Attributable To Shareholders Of The Company	(0.77) sen	0.69 sen	(211.59)

Notes: 1. One RM ringgit = 100 sen.
2. * These are **TARGET**'s calculations.

At Pages Eight through to 10 of the First Quarterly Report 2022/2023, one was apprised of the following:

'3. SEGMENT INFORMATION' as follows:

'(a) Business segment'

The Group has been operating in one operating and reportable segment, being printing and manufacture of instruction manuals, inserts, packaging products and printed paper labels. The chief operating decision maker make decisions based on the historical financial information of the Group prepared in accordance with HKFRSs as a whole about resources allocation and performance assessment.

(b) Geographic information

The following table provides an analysis of the Group's revenue from external customers.

	Three months ended	
	30 November	
	2022	2021
	(Unaudited)	(Unaudited)
	RM'000	RM'000
<i>Malaysia</i>	39,925	45,499
<i>Singapore</i>	2,807	2,166
<i>Philippines</i>	25,514	27,413
	68,246	75,078

(c) Information about major customers

Revenue from customers individually contributing 10% or more of the Group's revenue are as follows:

	Three months ended	
	30 November	
	2022	2021
	(Unaudited)	(Unaudited)
	RM'000	RM'000
Customer A	18,729	23,054
Customer B	6,881	N/A*
Customer C	N/A*	11,950

* The corresponding customers did not contribute more than 10% of total revenue of the Group during the period.

4. REVENUE

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