

PLASTOFORM HOLDINGS LIMITED

(Incorporated in Bermuda)
(Company Registration No. 34171)

ENTRY INTO CONVERTIBLE LOAN AGREEMENT

1. INTRODUCTION

The Board of Directors (the “**Board**” or the “**Directors**”) of Plastoform Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s announcements dated 20 October 2021, 25 October 2021 and 8 November 2021 (collectively, the “**Previous Announcements**”) in relation to the Company’s entry into a non-binding term sheet for a proposed convertible loan with JCS INVK Pte. Ltd. (the “**Investor**” and together with the Company, the “**Parties**”).

Following negotiations between the Parties, the Board wishes to announce (this “**Announcement**”) that the Company had on 15 November 2021 entered into a convertible loan agreement (the “**Convertible Loan Agreement**”) with the Investor, pursuant to which the Investor had agreed to extend to the Company a loan facility of an aggregate principal amount of up to S\$2.0 million (the “**Convertible Loan**”), with the conversion rights (the “**Conversion Rights**”) to convert up to S\$1.5 million of the outstanding loans thereunder into fully paid-up ordinary shares (the “**Shares**”) in the capital of the Company (the “**Conversion Shares**”).

The grant of the Conversion Rights and the allotment and issuance of the Conversion Shares is subject to the approval of the shareholders of the Company (the “**Shareholders**”) at an extraordinary general meeting (“**EGM**”) to be convened.

Unless otherwise defined, all capitalised terms used herein shall bear the same meanings ascribed to them in the Previous Announcements.

2. INFORMATION ON THE INVESTOR AND THE INTRODUCER

The information on the Investor and the Introducer (as defined below) in this paragraph was provided by the Investor and the Introducer respectively. In respect of such information, the Company and its Directors have not independently verified the accuracy and correctness of the same and the Company’s responsibility is limited to the proper extraction and reproduction herein in the context that the information is being disclosed in this Announcement.

The Investor is a Singapore incorporated investment holding company. It is a wholly-owned subsidiary of JCS Group Pte. Ltd., which is in turn a holding company owning various subsidiaries in the business of machinery trading, technology and manufacturing, and which ultimate beneficial owner is Mr. Yeo Hock Huat (“**Mr. Yeo**”), a Singaporean businessman.

The Investor is not related to the Company, the Directors or substantial Shareholders of the Company, and their respective associates. Prior to the Convertible Loan, the Investor, including its ultimate beneficial owner Mr. Yeo, have had no previous business, commercial, trade dealings or any other connection with the Company, the Directors or the substantial Shareholders of the Company.

The Investor was introduced to the Company by One World Business Advisory Pte. Ltd. (the “**Introducer**”). The Introducer was incorporated on 4 January 2009. The sole director and ultimate beneficial owner of the Introducer is Mr. Pek Choon Lee (“**Mr. Pek**”), a Singapore businessman who has been involved in corporate transactions in Singapore, Malaysia and Taiwan for over 15 years. He has experience in fund raising, pre-listing investments, introductions for acquisitions and investments, and placements and convertible loans to both listed and private companies.

None of the Introducer, its directors, shareholders and key management are related to the Company, the Directors or substantial Shareholders of the Company, and their respective associates. Prior to the Convertible Loan, the Introducer, including its ultimate beneficial owner Mr. Pek, have had no previous business, commercial, trade dealings or any other connection with the Company, the Directors or the substantial Shareholders of the Company.

Under the Convertible Loan Agreement, the Company is obliged to pay an introduction fee equivalent to six per cent. (6%) of the aggregate outstanding sums to be converted under the Convertible Loan (the “**Introducer Fee**”). The Introducer Fee shall be satisfied by the allotment and issuance of new Shares to the Introducer (the “**Introducer Shares**”) at the issue price of S\$0.006 (or 0.60 cents) per Introducer Share upon completion of the Conversion (as defined below) (“**Completion**”).

As the Convertible Loan is being granted in support of the Proposed New Business (as defined below), no placement agent was appointed. Please refer to paragraph 4 of this Announcement below for further details on the usage of the Convertible Loan.

As at the date of this Announcement, neither the Investor nor the Introducer hold, directly or indirectly, any Shares in the Company.

3. SALIENT TERMS OF THE CONVERTIBLE LOAN AGREEMENT

3.1 The Convertible Loan

The salient terms of the Convertible Loan Agreement are as follows:

1. Lender	The Investor.
2. Borrower	The Company.
3. Principal Amount	Up to S\$2.0 million.
4. Term	The term of the Convertible Loan shall be from the date of the Convertible Loan Agreement (being 15 November 2021) up to and including 31 January 2023 (the “ Maturity Date ”) (the “ Availability Period ”). The Maturity Date may be extended by unanimous agreement of the Parties (such agreement not to be unreasonably withheld or delayed).
5. Purpose	The Convertible Loan may only be applied towards the general working capital of JPS Advance Technology Pte. Ltd. (“ JPS ”), a newly-incorporated company which will become the Company’s

	<p>subsidiary, for listing compliance expenses incurred by the Company and/or approved by the Investor in writing, and such other purposes as approved by the Investor in writing.</p>
<p>6. Drawdown</p>	<p>The Convertible Loan may be drawn down in any number of loans by the Company from time to time within the Availability Period (each, a “Loan”). The Loans shall be disbursed directly to JPS and/or such other party as approved by the Lender in writing.</p> <p>The total sum of Loans disbursed during the Availability Period shall be at least S\$1,500,000.</p> <p>Any part of the Convertible Loan that remains undrawn at the end of the Availability Period shall be deemed to be cancelled.</p>
<p>7. Interest</p>	<p>The Convertible Loan shall be interest free.</p>
<p>8. Payment, Repayment and Prepayment</p>	<p>Unless agreed otherwise in writing, all payments to be made under the Convertible Loan Agreement shall be made in Singapore Dollars and in immediately available funds.</p> <p>The Loans shall become payable on the Maturity Date if Conversion (as defined below) has not taken place.</p> <p>None of the Loans can be prepaid prior to the Maturity Date.</p>
<p>9. Conversion Rights and Completion</p>	<p>The Company shall grant the Investor the entitlement to automatically convert the outstanding Loans under the Convertible Loan into Conversion Shares (the “Conversion”) (the “Conversion Rights”) from the date of the Convertible Loan Agreement up to 30 July 2022 or such other date as the Parties may mutually agree in writing (the “Long-Stop Date”).</p> <p>The Conversion Rights shall only be effective upon the fulfilment or waiver (in accordance with the terms of the Convertible Loan Agreement) of the conditions precedent set out in paragraph 3.1(12) below entitled “Conditions Precedent”.</p> <p>Ten (10) business days after the fulfilment (or waiver) of the conditions precedent in paragraph 3.1(12) below (the “Completion Date”), up to S\$1.5 million of the outstanding Loans under the Convertible Loan shall be automatically capitalised and converted into such number of Conversion Shares equivalent to the aggregate unpaid sums under the said Loans, at a conversion price of S\$0.006 (or 0.60 cents) per Conversion Share (the “Conversion Price”).</p> <p>After the completion of the allotment and issuance of the Conversion Shares above, all the converted Loans shall be deemed fully repaid.</p>

	<p>The Parties agree that from the date of the Convertible Loan Agreement, the Company shall not carry out any subsequent issue of Shares and/or convertible securities and/or warrants, and/or any other rights, bonus or other capitalisation issues by the Company which will enlarge the number of Shares in the share capital of the Company, and as such, no adjustments to the Conversion Price shall be made with respect to any of the events thereto.</p> <p>In addition, the Investor is entitled to direct the Conversion Shares to be allotted and issued to third parties (the “Recipients”), in such proportion and quantum as the Investor may decide, and shall furnish to the Company the identities and other necessary details of such Recipients prior to and no later than the submission of the circular in respect of the transactions contemplated in the Convertible Loan Agreement to the Singapore Exchange Securities Trading Limited (“SGX-ST”). The allotment and issuance of the Conversion Shares to the relevant Recipients shall constitute a good and valid discharge of the Company’s obligation to issue the Conversion Shares. The identity of the Recipients and their respective connections with the Investor will be announced to Shareholders if and after the Investor decides to direct such Conversion Shares to said Recipients.</p> <p>The Conversion Shares shall be free from encumbrances and shall rank <i>pari passu</i> in all respects with the then issued Shares, save for any dividends, rights, allotments or other distributions, the record date of which falls before the date of issue of the Conversion Shares.</p>
<p>10. Security</p>	<p>Unsecured.</p>
<p>11. Status of the Convertible Loan</p>	<p>The Convertible Loan constitutes direct, unconditional, unsubordinated and unsecured obligations of the Company, ranking <i>pari passu</i> and rateably without preference or priority among themselves, and will, save for such exceptions as may be provided by mandatory provisions of applicable laws, rank equally with all other unsecured obligations (other than subordinated obligations, if any) of the Company from time to time outstanding.</p>
<p>12. Conditions precedent to Conversion</p>	<p>Completion of the Conversion shall be conditional upon the following conditions precedent having been fulfilled (or waived in accordance with the terms of the Convertible Loan Agreement):</p> <p>(a) the Investor having undertaken and completed legal and financial due diligence investigations on the Group and the results of such due diligence being satisfactory to the Investor in its sole and absolute discretion;</p>

	<p>(b) the Company having undertaken and completed legal and financial due diligence investigations on the Investor and the results of such due diligence being satisfactory to the Company in its sole and absolute discretion;</p> <p>(c) the following being procured by the Investor:</p> <p style="padding-left: 20px;">(i) the delivery by the Investor to the Company of proof of funds amounting to at least S\$2.0 million, of which the delivery of a bank account statement or bank confirmation evidencing cash deposits of such amount shall be sufficient to constitute proof of funds; and</p> <p style="padding-left: 20px;">(ii) the subscription by the Company of fifty-one per cent. (51%) of the total issued and paid-up capital of JPS as soon as possible after the execution of this Convertible Loan Agreement;</p> <p>(d) the delivery by the Company to the Investor of the following financial statements of the Company:</p> <p style="padding-left: 20px;">(i) the audited consolidated accounts of the Group for FY2019, FY2020 and FY2021 as prepared by the Company's auditors, Foo Kon Tan LLP;</p> <p style="padding-left: 20px;">(ii) the unaudited management accounts, together with the working papers, of the Company for FY2019, FY2020 and the period commencing on 1 January 2021 up to 30 October 2021 as prepared by the management of the Company; and</p> <p style="padding-left: 20px;">(iii) a detailed forecast of the expenses of the Company for the period from 1 November 2021 up to the Completion Date, in form and substance reasonably acceptable to the Investor;</p> <p>(e) the acceptance by the Directors and key management staff of the Company of a fifty per cent. (50%) reduction in directors' fees and salaries for FY2021, and such fees and salaries shall be paid by the Company from 30 October 2021 with the past dues included in its declared list of creditors;</p> <p>(f) the Company shall procure a binding waiver from Jetform International Limited in relation to the rent payable to it for its office for FY2021;</p> <p>(g) the Company shall dispose its Hong Kong incorporated subsidiary, Plastoform Industries Limited ("PIL"), and all other assets that are unrelated to the future business activities of the Company (the "Proposed Disposal") of</p>
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	<p>which all and any expenses arising in connection with such disposal shall be included in the Liabilities Threshold (as defined below) and in the event that the Liabilities Threshold is exceeded, borne by Mr. Tse Kin Man and Mr. Chiu Kwong Fai (the “Majority Shareholders”);</p> <p>(h) the delivery by the Company to the Investor of deed(s), in form and substance reasonably acceptable to the Investor, confirming that:</p> <ul style="list-style-type: none"> (i) in respect of the Majority Shareholders, Konkin Limited and Mr. Ang Kong Hua, their shareholdings represent at least fifty-one per cent. (51%) of the entire issued share capital of the Company and undertaking to, <i>inter alia</i>, vote in favour of the resolutions proposed in connection with the Convertible Loan and the transactions contemplated in the Convertible Loan Agreement; and (ii) in respect of the Majority Shareholders only, in the event that the aggregate indebtedness and/or other liabilities due from the Company to its creditors, including the professional fees incurred by the Company in relation to its FY2020 audited financial statements, exceed S\$2.0 million (the “Liabilities Threshold”), they undertake to, <i>inter alia</i>, forgo and/or discharge the relevant debts owing to them; <p>(i) the Company having obtained an extension from the SGX-ST of the cure period for its removal from the SGX-ST Watch-List, and then an application to the SGX-ST for its removal from the SGX-ST Watch-List, in each case with the outcome and any conditions therein being satisfactory to the Investor;</p> <p>(j) approval in-principle being obtained by the Company from the SGX-ST for the following matters:</p> <ul style="list-style-type: none"> (i) resumption of trading of the Shares upon Completion; and (ii) listing and quotation of the Conversion Shares, the Introducer Shares and the compliance placement Shares (if required) on the Main Board of the SGX-ST, <p>and each such approval in-principle being valid and in full force and effect as at the Completion Date, and to the extent that such approval is subject to conditions, such conditions are normally imposed by the SGX-ST for a transaction of a similar nature, are reasonably acceptable</p>
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	<p>to Investor, and have been fully complied with as at the Completion Date;</p> <p>(k) Shareholders' approval being obtained by the Company for all resolutions required to approve, implement and/or effect the grant of the Convertible Loan and the transactions contemplated in the Convertible Loan Agreement, at an EGM to be convened, including in respect of:</p> <ul style="list-style-type: none"> (i) the issuance of the Conversion Rights; (ii) the allotment and issuance of the Conversion Shares, the Introducer Shares and the compliance placement Shares (if required to meet the free float requirements under the Listing Manual of the SGX-ST) (the "Proposed Share Issuance"); (iii) the reorganisation of the share capital of the Company to reduce the par value of each Share from HK\$0.50 to HK\$0.005 to permit the issuance of the Conversion Shares, the Introducer Shares and the compliance placement Shares (if required) by the Company for an amount no less than the par value of such Shares (the "Proposed Capital Reorganisation"); (iv) the transfer of a controlling interest in the Company to the Investor arising from the Conversion; (v) the ordinary resolution to be passed by the Shareholders who are independent to vote in a general meeting to waive the requirement of the Investor and its concert parties to make a mandatory general offer under Rule 14 of the Singapore Code on Take-Overs and Mergers (the "Code") arising from the Conversion (the "Proposed Whitewash Resolution"); (vi) the Proposed Disposal; (vii) the appointment of two (2) individuals nominated by the Investor to serve as executive directors of the Company; (viii) if required, the change of name of the Company; (ix) if required, a general mandate for continuing or recurrent interested-party transactions in relation to the abovementioned transactions with JPS;
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	<p>(x) if required, the amendments to the constitution of the Company; and</p> <p>(xi) the compliance placement of the Company's Shares, if required to be undertaken concurrently or shortly after Completion to fulfil all requirements under the Listing Manual of the SGX-ST,</p> <p>(the proposed transactions set out in sub-paragraph (k) of this Announcement above collectively, the "Proposed Transactions");</p> <p>(l) the scheme of arrangement (the "Proposed Scheme") being proposed and implemented by the Company, the grant of an Order of Court sanctioning the Proposed Scheme, such grant being valid and in full force and effect as at the Completion Date, and to the extent that such grant is subject to conditions, such conditions are reasonably acceptable to the Investor, and have been fully complied with as at the Completion Date;</p> <p>(m) a waiver being obtained by the Investor and parties acting in concert from the Securities Industry Council in respect of the obligation to make a mandatory general offer arising from the Conversion (the "Proposed Whitewash Waiver"), and such waiver being valid and in full force and effect as at the Completion Date, and to the extent that such waiver is subject to conditions, such conditions are as set out in Appendix 1 of the Code are normally imposed by the Securities Industry Council for a transaction of a similar nature, are reasonably acceptable to Investor, and have been fully complied with as at the Completion Date;</p> <p>(n) all other approvals, licences, registrations, waivers, consents and authorisations as may be necessary or required to implement and/or effect the Convertible Loan and the transactions contemplated in the Convertible Loan Agreement being obtained, each such approvals, licences, registrations, waivers, consents and authorisations being valid and in full force and effect as at the Completion Date, and to the extent that any such approvals, licences, registrations, waivers, consents and authorisations is subject to conditions, such conditions are reasonably acceptable to the Investor, and have been fully complied with as at the Completion Date;</p> <p>(o) the grant of the Convertible Loan and the transactions contemplated in the Convertible Loan Agreement not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of this Convertible Loan Agreement by any legislative, executive</p>
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	<p>or regulatory body or authority, whether of Singapore or elsewhere;</p> <p>(p) all legal steps and actions as may be necessary or required to implement and/or effect the Convertible Loan and the transactions contemplated in the Convertible Loan Agreement being completed;</p> <p>(q) as at the Completion Date, there being no material adverse change to the business, affairs, financial, condition, assets, properties, operations, prospects or results of operations to the Group between the date hereof to the Completion Date;</p> <p>(r) the representations, warranties and undertakings of the Company in the Convertible Loan Agreement being true, accurate and correct in all material respects as if made on the Completion Date, with reference to the then existing circumstances and the Company having performed all of its obligations under the Convertible Loan Agreement which are required hereunder to be performed on or before the Completion Date; and</p> <p>(s) the representations, warranties, covenants and undertakings of the Investor in the Convertible Loan Agreement being true, accurate and correct in all material respects as if made on the Completion Date, with reference to the then existing circumstances and the Investor having performed all of its obligations under the Convertible Loan Agreement which are required hereunder to be performed on or before the Completion Date.</p>
<p>13. Representations and Warranties</p>	<p>The Company has given customary representations and warranties for a loan of such nature.</p> <p>The Investor has given customary representations and warranties for a loan of such nature. The Investor has also confirmed that it is and the Introducer is not a person falling within the categories set out in Rule 812(1) of the Listing Manual of the SGX-ST. It will also similarly procure that the Conversion Shares will not be allotted and/or issued to Recipients (if any) falling within the categories set out in Rule 812(1) of the Listing Manual of the SGX-ST.</p>
<p>14. Covenants and Undertakings</p>	<p>The Company has undertaken to the Investor that it shall, amongst others:</p> <p>(a) apply to SGX-ST for an extension of the cure period for its removal from the SGX-ST Watch-List, and then an application to the SGX-ST for its removal from the SGX-ST Watch-List;</p>

	<p>(b) submit a proposal to the SGX-ST with a view to resume trading of its Shares on the Main Board of the SGX-ST, and engaged the SGX-ST in consultations relating to the grant of the Convertible Loan and the transactions contemplated in the Convertible Loan Agreement;</p> <p>(c) submit a draft of the circular and the Additional Listing Application to the SGX-ST and if applicable, the Securities Industries Council, and shall furnish such information, provide such undertakings as may be required by the SGX-ST and if applicable, the Securities Industry Council, execute all such documents and do all such acts and things as may be necessary or advisable for such purposes and, if the listing and quotation of each of the Conversion Shares, the Introducer Shares and the compliance placement Shares (if required) is obtained, use its best endeavours to maintain such listing and quotation; and</p> <p>(d) not incur any liabilities exceeding the Liabilities Threshold without the prior written consent of the Investor (such consent not to be unreasonably withheld or delayed).</p> <p>The Investor has undertaken to the Company that it shall, amongst others:</p> <p>(i) procure that the Company commences new trading activities before the end of November 2021; and</p> <p>(ii) take reasonable efforts to support the Company to exit the SGX-ST Watch-List.</p>
<p>15. Events of Default</p>	<p>The Convertible Loan is subject to customary events of default for a loan of such nature, and also including the following:</p> <p>(a) the Company fails to pay any sum payable by it when due under the Convertible Loan Agreement in the currency in which it is expressed to be payable;</p> <p>(b) a breach by the Company of any terms of the Convertible Loan Agreement which (if capable of being remedied) is not remedied within ten (10) business days of written notice given by the Investor to the Company to do so;</p> <p>(c) any material provision of the Convertible Loan Agreement is or becomes for any reason illegal, invalid and/or unenforceable;</p> <p>(d) if the Singapore Courts decline or refuse to grant an Order of Court sanctioning the Proposed Scheme;</p>

	<p>(e) if the Conversion or any of the transactions contemplated in the Convertible Loan Agreement (including the Proposed Scheme) cannot be proceeded with for any reason and in any event by the Long-Stop Date, including the circumstances where the SGX-ST imposes a mandatory delisting of the Shares; or</p> <p>(f) any of the prescribed insolvency events occurs in respect of the Company.</p> <p>Upon the occurrence of an event of default, the Investor may by notice to the Company cancel the Convertible Loan and declare that all or any part of the Loans, together with accrued interest (if any) and all other amounts accrued or outstanding, to be immediately due and payable to the Investor and the Investor may exercise any of its rights, remedies, powers or discretions under the Convertible Loan Agreement.</p>
16. Transferability	The Convertible Loan and the Conversion Rights are non-transferrable. The Convertible Loan is only assignable or transferrable by a Party with the prior written consent of the other Party.
17. Amendments	<p>Subject to the paragraph below, no variation to the Convertible Loan Agreement shall be effective unless in writing and signed by or on behalf of each Party.</p> <p>The Company and the Investor shall not agree to a material alteration to the terms of the Convertible Loan Agreement to the advantage of the Investor, without seeking the approval of the Company's Shareholders, except where the alterations are made pursuant to the terms of the Convertible Loan Agreement.</p>
18. Governing law	Singapore law.

While the Convertible Loan itself is not subject to Shareholders' approval, the Conversion Rights must be approved by Shareholders at an EGM to be convened. Consequently, if the Conversion Rights are not approved, the Convertible Loan will not be capitalised and converted, and must be repaid on the Maturity Date and/or may constitute an event of default. The allotment and issuance of the Conversion Shares is also subject to Shareholders' approval, to be obtained at the EGM to be convened in respect of the Proposed Transactions, and conditional upon the receipt of an approval in-principle for the listing and quotation of, *inter alia*, the Conversion Shares from the SGX-ST. For the avoidance of doubt, the Convertible Loan and Conversion Rights will not be listed on the SGX-ST.

The SGX-ST had called for the suspension of the trading of the Company's Shares with effect from 4 April 2019. The Conversion Price of S\$0.006 for each Conversion Share represents a discount of approximately 53.8% to the volume weighted average price of S\$0.013 per Share for trades done on the Main Board of the SGX-ST on 3 April 2019, being the last full Market Day on which the Company's Shares were traded prior to the execution of the Convertible

Loan Agreement. As such, specific Shareholders' approval will be sought for the Conversion Rights on its present terms (including the Conversion Price) at the EGM to be convened.

By way of illustration, assuming the following:

- (a) the Proposed Capital Reorganisation has been completed;
- (b) the maximum convertible amount of the Convertible Loan of S\$1.5 million and converted in accordance with its terms. The number of Conversion Shares to be issued is 250,000,000 Shares, while the number of Introducer Shares to be issued is 15,000,000 Shares;
- (c) no compliance placement is undertaken; and
- (d) save as set out above, there is no further Share issuance prior to Completion.

Based on the assumptions set out above, the Company will have an enlarged issued share capital of 305,046,193 Shares. The number of Conversion Shares to be issued from the Conversion in this illustration represents approximately 81.9% of the Company's enlarged issued share capital after Completion (excluding treasury Shares). The number of Introducer Shares to be issued in this illustration represents approximately 4.9% of the Company's enlarged issued share capital (excluding treasury Shares).

For the avoidance of doubt, Shareholders are to note that the above computation is for illustrative purposes only and, amongst others, the actual amounts of Shares to be issued are subject to change.

3.2 **The Proposed Disposal**

Pursuant to the conditions precedent set out in the Convertible Loan Agreement, the Company shall dispose the entire issued and paid-up share capital of PIL, its wholly-owned subsidiary. Upon completion of the Proposed Disposal, PIL shall cease to be a subsidiary of the Company.

The Company is currently in the process of identifying a viable purchaser for PIL and where relevant, shall announce the terms of such disposal (including, *inter alia*, the relative figures for the Proposed Disposal computed on the bases set out in Rules 1006 (a) to (e) of the Listing Manual of the SGX-ST) after the definitive agreements have been finalised and executed, in compliance with its disclosure obligations under the Listing Manual of the SGX-ST.

3.3 **The Proposed New Business**

Concurrently with the Convertible Loan, the Company shall carry out the a new business with JCS Greentech Pte. Ltd. ("**JCS Greentech**") via JPS, whereby JCS Greentech will engage the Company's original equipment manufacturing and original design manufacturing services via JPS (the "**Proposed New Business**").

As a condition precedent for the Conversion under the Convertible Loan, the Company intends to hold fifty-one per cent. (51%) of JPS' total issued and paid-up share capital. Following which, JPS will become a subsidiary of the Company. The remaining forty-nine per cent. (49%) of JPS will be directly held by the Investor or its affiliated companies.

JCS Greentech is not a related company of either of JGPL or the Investor. JCS Greentech is a Singapore-based complex equipment, products design and manufacturing company that designs and builds various equipment and products for the medical field, the renewable energy industry such as the solar energy industry, and in certain technology-specialised areas of the agricultural industry. It employs more than 20 technicians and engineers in Singapore, and serves customers in Singapore, Southeast Asia, the United Kingdom, Europe, Latin America and the People's Republic of China. For its financial year of 2020, it generated a revenue of more than S\$23 million and is expected to generate approximately the same revenue for 2021.

The Proposed New Business will build on the Company's existing expertise in electronic manufacturing to mass produce electronic modules. JCS Greentech intends to sub-contract the manufacturing of critical control modules to JPS for one of the disinfecting devices which it has designed and developed. The disinfecting device turns a proprietary disinfecting solution into dry mist and distributes the mist through the air for aerial disinfecting.

Please refer to the Previous Announcements for further details on JCS Greentech and the envisaged Proposed New Business. The Company is currently negotiating with JCS Greentech on the Proposed New Business and will make the necessary announcements when there are further developments on the Proposed New Business.

3.4 The Proposed Scheme of Arrangement

The Company intends to propose a scheme of arrangement with all of its creditors to reorganise its existing indebtedness. As stated in the Company's announcement dated 8 November 2021, the Company has appointed AAG Corporate Advisory Pte Ltd as the financial adviser to assist in the implementation of the Proposed Scheme.

The Proposed Scheme is envisaged to result in the settlement in cash and discharge of the indebtedness of the Company owing to eligible creditors under the Proposed Scheme. In the event that the aggregate indebtedness and/or other liabilities due from the Company to the eligible creditors exceed the Liabilities Threshold, the remainder of the outstanding liabilities will be assumed and settled by the Majority Shareholders. To give effect to this arrangement, the Company will be obtaining undertakings in the form of deeds from the Majority Shareholders.

As of the date of this Announcement, the Proposed Scheme and its terms are still being finalised. The Company will make the necessary announcements when there are further developments on the Proposed Scheme.

4. RATIONALE FOR THE CONVERTIBLE LOAN

The Convertible Loan is being granted to facilitate the Company's operation of the Proposed New Business. The Company will be entitled to draw down up to S\$2.0 million in gross proceeds from the Convertible Loan. For the avoidance of doubt and assuming the full S\$2.0 million Convertible Loan is drawn, as at the date of this Announcement, it is envisaged that up to 15% will be used for listing compliance expenses incurred by the Borrower, with the remainder being applied to the working capital of JPS in support of the Proposed New Business and/or such other purposes as approved by the Lender in writing. The Company will provide a breakdown with specific details on how such proceeds from the Convertible Loan have been applied to JPS' working capital and other purposes in its announcements and its annual report.

The Convertible Loan will also facilitate the resumption of trading of Shares in the Company. As of 31 December 2020, the Group is currently in a net liability position. The Convertible Loan will provide funds to the Company to, amongst others, facilitate the reorganisation of its liabilities and debts under the Proposed Scheme and place the Group into a significantly stronger financial position and capital base.

Finally, the Proposed New Business will enable the Company to increase its streams of income and revenue, thereby facilitating the Company's attempts to build a profitable recurrent business and operate as a going concern in the long term. This will in turn allow the Company to meet the requirements to exit the SGX-ST Watch-List.

5. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTIONS

The financial effects of the Proposed Transactions on the Group have been computed based on the unaudited consolidated financial statements of the Group for the financial year ended 31 December 2020, and assumes the following:

- (a) the Proposed Capital Reorganisation is completed;
- (b) the Proposed Scheme is carried out and completed in accordance with its terms;
- (c) the full convertible amount of S\$1.5 million of the Convertible Loan is converted into 250,000,000 Conversion Shares;
- (d) 15,000,000 Introducer Shares are allotted and issued to the Introducer; and
- (e) where appropriate, the exchange rate between Singapore Dollars and Hong Kong Dollars of S\$1.00:HK\$5.73.

The financial effects of the Proposed Transactions set out below are strictly for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the Group after completion of the Proposed Transactions.

5.2 Net Tangible Assets ("NTA")

The effects of the Proposed Transactions on the unaudited consolidated NTA per Share for the financial year of the Group ended 31 December 2020, assuming that the Proposed Transactions had been effected at the end of that financial year, are summarised below:

	Before Completion of the Proposed Transactions	After Completion of the Proposed Transactions
NTA of the Group (HK\$'000)	(13,568)	(4,973)
Number of Shares (excluding treasury Shares)	40,046,193	305,046,193
Consolidated NTA per Share (HK\$ cents)	(33.88)	(1.63)

5.3 Losses per Share (“LPS”)

The effects of the Proposed Transactions on the unaudited consolidated LPS of the Group for its financial year ended 31 December 2020, assuming that the Proposed Transactions had been effected at the beginning of that financial year, are summarised below:

	Before Completion of the Proposed Transactions	After Completion of the Proposed Transactions
Profits/(Losses) attributable to equity holders of the Company (HK\$'000)	(4,662)	(5,178)
Weighted average number of Shares	40,046,193	305,046,193
Consolidated LPS (HK\$ cents)	(11.64)	(1.7)

5.4 Share Capital

The effects of the Proposed Transactions on the share capital of the Group is as follows:

	Before Completion of the Proposed Transactions	After Completion of the Proposed Transactions
Number of issued and paid-up Shares of the Company (excluding treasury Shares)	40,046,193	305,046,193
Share capital at 31 December 2020 (HK\$'000) (excluding treasury Shares)	20,023	1,528

6. CIRCULAR TO SHAREHOLDERS

The Company will be seeking specific approval from its Shareholders for the issuance of the Conversion Rights, the Proposed Share Issuance and the other Proposed Transactions at an EGM to be convened. The circular containing, *inter alia*, further information on the Proposed Transactions and enclosing the notice of EGM therewith, will be dispatched to the Shareholders in due course.

7. THE PROPOSED WHITEWASH RESOLUTION AND INDEPENDENT FINANCIAL ADVISER

Under Rule 14 of the Code, upon Conversion, the Investor and its concert parties are obliged to extend a general offer to the Shareholders for the remaining issued Shares in the Company not already owned, controlled or agreed to be acquired by them. To that end, the Investor intends to seek the Proposed Whitewash Waiver from the Securities Industry Council of Singapore.

In connection with the Proposed Whitewash Waiver and the Proposed Whitewash Resolution, the Company will be appointing an independent financial adviser to advise its independent Shareholders on the Proposed Whitewash Resolution. The circular containing, *inter alia*, the conditions of the Proposed Whitewash Waiver (if so granted by the Securities Industry Council

of Singapore) and the opinion and advice of the independent financial adviser will be circulated to the Shareholders in due course.

8. ADDITIONAL LISTING APPLICATION

The Company will be submitting an application for the additional listing and quotation of the Conversion Shares, the Introducer Shares and the compliance placement Shares (if required) on the Main Board of the SGX-ST. The Company will make the necessary announcement upon receipt of the approval in-principle for the listing and quotation of said Shares from the SGX-ST.

9. SHAREHOLDING STRUCTURE

Assuming all of the illustrative 250,000,000 Conversion Shares and 15,000,000 Introducer Shares are allotted and issued to the Investor and the Introducer respectively, the shareholding structure of the Company before and after the completion of the Proposed Transactions (assuming that the Proposed Scheme is carried out in accordance with its terms) is set out as follows:

[This announcement continues on the next page]

	Before the completion of the Proposed Transactions				After the completion of the Proposed Transactions			
	<i>Direct Interest</i>		<i>Deemed Interest</i>		<i>Direct Interest</i>		<i>Deemed Interest</i>	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<u>Directors</u>								
Tse Kin Man ⁽¹⁾	3,000,000	7.49	11,895,750	29.71	3,000,000	0.98	11,895,750	3.90
Tan Tien Hin, Winston ⁽²⁾	-	-	4,300,000	10.74	-	-	4,300,000	1.41
Chiu Kwong Fai ⁽¹⁾	3,000,000	7.49	11,895,750	29.71	3,000,000	0.98	11,895,750	3.90
Hor Siew Fu	-	-	-	-	-	-	-	-
Tham Wan Loong, Jerome	-	-	-	-	-	-	-	-
<u>Substantial Shareholders</u>								
Konkin Limited ⁽¹⁾	11,895,750	29.71	-	-	11,895,750	3.9	-	-
Winmark Investments Pte. Ltd. ⁽²⁾	1,000	0.00	4,299,000	10.74	1,000	0.00	4,299,000	1.41
Amy Lim Sioh Tin ⁽²⁾	-	-	4,300,000	10.74	-	-	4,300,000	1.41
Ang Kong Hua ⁽³⁾	-	-	4,587,748	11.16	-	-	4,587,748	1.50
Investor	-	-	-	-	250,000,000	81.95	-	-
Introducer	-	-	-	-	15,000,000	4.92	-	-
Existing Public	22,149,443	55.31	-	-	22,149,443	7.27	-	-
Total	40,046,193	100.0			305,046,193	100.0		

Notes:

- (1) Tse Kin Man and Chiu Kwong Fai are deemed interested in the Shares held by Konkin Limited (“**Konkin**”) by virtue of their shareholdings of 50% each in Konkin.
- (2) Tan Tien Hin, Winston and his wife, Amy Lim Sioh Tin are deemed to be interested in the Shares held by Winmark Investments Pte. Ltd. (“**Winmark**”) by virtue of their shareholdings of 50% each in Winmark. Winmark has direct interests of 1,000 Shares and is deemed interested in 4,299,000 Shares held by Raffles Nominees (Pte) Limited.
- (3) Ang Kong Hua is deemed interested in 2,130,000 shares held by Raffles Nominees (Pte) Limited and 2,457,748 shares held by DBS Nominees Pte Ltd.

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10. SERVICE AGREEMENTS

As at the date of this Announcement, the Company has not entered into any service agreement with any person proposed to be appointed as director in connection with the Convertible Loan. The Company however wishes to highlight its obligation to appoint individuals nominated by the Investor to the Board, pursuant to the conditions precedent set out in the Convertible Loan Agreement. Please refer to paragraph 3.1(12)(k)(vii) of this Announcement for further details.

The details of any such appointments and service agreements, if any, will be set out in the circular to be despatched to Shareholders in respect of the EGM to be convened.

11. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors, controlling Shareholders or their respective associates have any interest, direct or indirect, in the Convertible Loan and the other proposed transactions under the Convertible Loan Agreement other than through their respective directorships and/or shareholdings in the Company.

12. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company collectively and individually accept full responsibility for the accuracy of the information given in this Announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Announcement constitutes full and true disclosure of all material facts of the Convertible Loan Agreement, the Proposed Transactions and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Announcement misleading.

Where information in this Announcement (including information relating to the Investor and the Introducer) has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Announcement in its proper form and context.

13. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when trading in the shares of the Company as the Convertible Loan is subject to certain conditions. There is no assurance or certainty that the Conversion will be completed, being subject to such conditions. In the event of any doubt as to the action they should take, Shareholders and potential investors should consult their stock brokers, bank managers, solicitors or other professional advisors.

The Company will make the necessary announcements as and when there are further material developments on the Proposed Transactions, in compliance with the Listing Manual of the SGX-ST.

14. DOCUMENTS FOR INSPECTION

A copy of the Convertible Loan Agreement is available for inspection during normal business hours at 8 Robinson Road, #13-00 ASO Building, Singapore 048544, for a period of three (3) months commencing from the date of this Announcement.

Pursuant to the relevant health and safety measures imposed in respect of the COVID-19 pandemic, all Shareholders are to register their intention to inspect said document at least five (5) business days before the date of their appointment, via the Company's email address jerometham@gmail.com. The Company shall be entitled to reject requests for inspection as it deems necessary to comply with the relevant laws and regulations relating to the COVID-19 pandemic.

BY ORDER OF THE BOARD

Plastoform Holdings Limited

Tse Kin Man
Non-Executive Chairman and Director

15 November 2021