PLASTOFORM HOLDINGS LIMITED
(Company Registration Number: 34171)
(Incorporated in Bermuda)

RESPONSE TO QUERIES FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST") ON THE UNAUDITED FINANCIAL STATEMENTS FOR SECOND QUARTER ENDED 30 JUNE 2018

The Board of Directors (the "Board") of PLASTOFORM HOLDINGS LIMITED (the "Company") refers to the following queries raised by the SGX-ST on 14 September 2018 and would like to provide additional information in relation to the Company's unaudited financial statements for second quarter ended 30 June 2018 ("2Q2018"), as follows:

SGX-ST's Query 1:

On page 9 of the 2Q2018 Results, the Company disclosed that "We have three longstanding major customers who have unfortunately not fulfilled their obligations. Despite many attempts to recover the receivables and to accept the delivery of finished products ordered, efforts have not so far produced any favorable outcome." Please disclose:

i. Company's plans to recover the receivables;
ii. Names of the customer and whether they are major customers;
iii. How long are the debts outstanding and when were the sales reported; and
iv. What actions did the Audit Committee undertake to check:
    a. What were the actions taken by the management to recover the receivables;
    b. Has the board questioned the reasonableness of the methodologies used to determine the values of write-offs or impairments of these receivables; and
    c. Are these receivables significant enough to cast doubt on whether the company can continue as a going concern.

Company's response:

i) The Company had already taken legal actions against the customers for long outstanding receivables. Nevertheless, the Company continues its efforts in negotiating with the customers for every possible ways in the collection of the debts during the period of the customers' financial difficulties.

ii)

Name	Major customers (Y/N)
Incipio Technologies Inc	Y
Monster, LLC	Y
深圳源创国际贸易有限公司 (a PRC buying company appointed by Brookstone Inc)	Y

iii)

Name	Outstanding as at 30 June, 2018	Billing time
Incipio Technologies Inc	3 to 9 months	From Sep 2017 to May 2018
Monster, LLC	2 to 8 months	From Oct 2017 to May 2018
深圳源创国际贸易有限公司 (a PRC buying company appointed by Brookstone Inc)	4 to 8 months	From Nov 2017 to Feb 2018

iv)

a) The Company has taken active steps in the collection of overdue receivables. The Account department would send out weekly overdue report to our Sales Managers/Directors for their frequent follow up with the customers on the collections. The Group Financial Controller would issue reminders/demand letters to force customers to pay if there is no payment progress from customers. Long overdue receivables would be escalated to CEO/Deputy CEO's attention for his discussion and negotiation directly with the customers or owner on the payment schedule. If necessary, shipments would put on hold and legal actions will be further proceeded.

Management of the Company is required to update the Audit Committee ("AC") and the Board quarterly on the ageing report of trade receivables and report the problems/issues encountered in the collection. Starting from March 2018, a monthly Accounts Receivables report is sent to the Board to update the latest progress of collection of the outstanding receivables of these 3 major customers.

b) After Management submits the ageing report of trade receivables, the AC undertakes a rigorous review of the trade receivables, by monitoring the rate of collection from customers in particular with large accounts receivables outstanding for some time, and whether they have been making partial payments periodically. The AC will question on certain long outstanding account receivables and any actions taken by Management to follow up with those customers with long outstanding receivables. Based on the status on collection, customers' feedback and track records with customers, and the justifications prepared by Management, the AC will determine whether the proposed values of write-offs or impairments of these receivables by Management is reasonable.

c) Yes, these receivables are significant enough to cast doubt on whether the Company can continue as a going concern, which was also addressed in Audited reported for 2017. Management and the Board do the best effort in the collection of these receivables through negotiation and legal actions.

BY ORDER OF THE BOARD

Tan Tien Hin Winston
Non-Executive Chairman and Director

18 September 2018