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 FIRST QUARTER ENDED 31 MARCH 2018

The Board of Directors (the "Board") of PLASTOFORM HOLDINGS LIMITED (the "Company") refers to the following queries raised by the SGX-ST on 5 June 2018 and would like to provide additional information in relation to the Company's unaudited financial statements for first quarter ended 31 March 2018 ("1Q2018"), as follows:

SGX-ST's Query 1:

On page 1 of the 1Q2018 Results, the Company reported "Gross profit" of only HK$ 2.97million but "General and administrative expenses" of HK$12.71million. Please provide a breakdown of the "General and administrative expenses" and explain the material items.

Company's response:

Below is the breakdown of administrative expenses and comparison with figures in 1Q2017:

	1Q2018 HK$'m	1Q2017 HK$'m	Remarks
Directors' remuneration	1.1	1.2	
Staff costs	8.6	9.2	Including staffs in R&D, Engineering, Purchasing, Warehouse, HR & Adm, IT, Accounts etc.
Impairment loss of plant & equipment	0.4	-	
Rent & rates	0.7	0.7	
Audit fee	0.3	0.3	
Travelling & entertainment	0.2	0.2	
Miscellaneous	1.7	1.7	Including, but not limited to utilities, repair, listing fee, professional fee, communications, insurance, recruitment, consumable, cleaning expenses etc.
Exchange loss/(gain)	(0.3)	0.5	
Total:	12.7	13.8	

SGX-ST's Query 2:

On page 8 of the 1Q2018 Results, the Company disclosed that "Turnover" increased by 54.8%. Please disclose and elaborate on the reason that led to the 54.8% in 1Q2018 "Turnover".

Company's response:

In 1Q 2017, some of our major customers were in overstock position due to weak demand for several products. In 1Q 2018, additional sales of HK$4.6 million were generated from two new customers.

SGX-ST's Query 3:

The Company also disclosed that "Inventories increased by HK$5.8 million from HK$19.8 million as at 31 December 2017 to HK$25.6 million as at 31 March 2018 due to some shipments put on hold during the period of renegotiating the repayment schedules with major customers". Please:

(i) Elaborate on why the customer is renegotiating the repayment;
(ii) Provide details where the shipments on hold are; and
(iii) Disclose whether the shipments on hold are backed by sales orders from customers.

Company's response:

(i) In 1Q2018, some of our major customers cannot settle the invoices due and they asked for our acceptance of payments by instalments.

(ii) Details of the shipments on hold:

Customer	**Qty ('000)**	**Value (HK$'m)**	**Completion**
A	6.5	3.6	Jan 2018
B	4.9	3.2	Mar 2018
Total:	11.4	6.8	

(iii) All shipments on hold were backed by sales orders from customers.

SGX-ST's Query 4:

On page 9 of the 1Q2018 Results, the Company disclosed that "the decrease of collections due to the payment delayed from major customers." Please disclose the reason for the delay and the number of days that the payment is overdue.

Company's response:

In 1Q2018, some of our major customers cannot settle the invoices due and they asked for our acceptance of payments by instalments. As at 31 March, 2018, the payments were overdue from one to four months.

BY ORDER OF THE BOARD

Tse Kin Man
Executive Director and Chief Executive Officer

6 June 2018