**PLASTOFORM HOLDINGS LIMITED**
(Incorporated in Bermuda)
(Co. Reg. No: 34171)

**UNAUDITED RESULTS FOR THE QUARTER ENDED 31 MARCH 2019**

**The Directors of Plastoform Holdings Limited wish to announce the following unaudited results of the Group for the quarter ended 31 March 2019**

**1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**Consolidated Statement of Comprehensive Income (in HK$'000)**

| | Group | | |
|---|---|---|---|
| | Three Months Ended 31 March | | |
| | **2019** | 2018 | **%** |
| **Continuing operations** | | | |
| Revenue | **4,941** | 17,065 | (71.0%) |
| Cost of sales | **(4,018)** | (14,114) | (71.5%) |
| **Gross profit** | **923** | 2,951 | (68.7%) |
| | | | |
| Other operating income | **29** | 62 | (53.2%) |
| Selling and distribution expenses | **(776)** | (1,344) | (42.3%) |
| General and administrative expenses | **(3,087)** | (6,018) | (48.7%) |
| Finance cost | **-** | (8) | (100.0) |
| | | | |
| Loss from continuing operations before taxation | **(2,911)** | (4,357) | (33.2%) |
| Income tax expense | **(7)** | - | N/M |
| **Loss from continuing operations** | **(2,918)** | (4,357) | (33.0%) |
| | | | |
| **Discontinued operations** | | | |
| Loss from discontinued operations[(1)] | **-** | (6,846) | (100.0%) |
| | | | |
| **Net loss for the period** | **(2,918)** | (11,203) | (74.0%) |
| | | | |
| **Other comprehensive income for the period, net of tax:** | | | |
| Items that may be reclassified subsequently to profit or loss: | | | |
| Exchange differences on translation of foreign operations (at nil tax) | **(27)** | 461 | N/M |
| Net other comprehensive income to be reclassified to profit or loss in subsequent periods | **-** | 461 | (100.0%) |
| Total comprehensive loss attributable to owners of the Company | **(2,945)** | (10,742) | (72.6%) |

**1(a)(ii) Loss before tax is arrived at after charging/(crediting) the following significant items:**

| | **Group** | | |
|---|---|---|---|
| | **Three Months Ended 31 March** | | |
| | **2019** | 2018 | **%** |
| | **HK$'000** | HK$'000 | Change |
| **Continuing operations** | | | |
| Interest income | **(1)** | - | N/M |
| Depreciation of plant and equipment | **-** | 9 | (100.0%) |
| Impairment/(reversal) loss on trade receivables | **(347)** | - | N/M |
| Net exchange (gains)/loss | **(18)** | (58) | (69.0%) |
| | | | |
| **Discontinued operations** | | | |
| Interest income | **-** | (2) | (100.0%) |
| Depreciation of plant and equipment | **-** | 25 | (100.0%) |
| Impairment loss on plant and equipment | **-** | 476 | (100.0%) |
| Net exchange (gains)/loss | **-** | (217) | (100.0%) |

N/M: Not meaningful

(1) On 17 September, 2018, the company announced that as part of the Group's continuing efforts to restructure its business and improve its operational efficiency and cost effectivities, it commenced to undertake the closure of the production facility of its wholly-owned subsidiary, Plastoform Electronics (Shenzhen) Company Ltd ("PESZ") in China. On 19 November, 2018, Shenzhen Guang Peng CPA Firm has been nominated by the Court in PRC, to act as the liquidator of PESZ, for the purposes of winding up the affairs of PESZ. Accordingly, the comparative figures have been presented to report the profit and loss items of the continuing and discontinued operations separately.

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

**Statements of Financial Position (in HK$'000)**

| | Group | | Company | |
|---|---|---|---|---|
| | **31/3/2019** | 31/12/2018 | **31/3/2019** | 31/12/2018 |
| | **HK$'000** | HK$'000 | **HK$'000** | HK$'000 |
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Plant and equipment | **150** | 3 | **-** | - |
| Intangible asset – club memberships | **460** | 460 | **-** | - |
| Investments in subsidiaries | **-** | - | **4,751** | 4,751 |
| | **610** | 463 | **4,751** | 4,751 |
| **Current assets** | | | | |
| Inventories | **338** | 976 | **-** | - |
| Trade receivables | **1,502** | 1,707 | **-** | - |
| Deposits, prepayments and other receivables | **3,403** | 3,070 | **444** | 183 |
| Cash and cash equivalents | **4,556** | 8,573 | **415** | 856 |
| | **9,799** | 14,326 | **859** | 1,039 |
| **Total assets** | **10,409** | 14,789 | **5,610** | 5,790 |
| **Current liabilities** | | | | |
| Trade payables | **615** | 615 | **-** | - |
| Other payables and accruals | **6,167** | 6,500 | **5,298** | 5,445 |
| Contract liabilities | **6,732** | 7,834 | **-** | - |
| Amount due to a subsidiary | **-** | - | **3,573** | 2,830 |
| Amount due to a shareholder | **731** | 731 | **731** | 731 |
| | **14,245** | 15,680 | **9,602** | 9,006 |
| **Net current liabilities** | **(4,446)** | (1,354) | **(8,743)** | (7,967) |
| **Net liabilities** | **(3,836)** | (891) | **(3,992)** | (3,216) |
| **EQUITY** | | | | |
| **Capital and reserves attributable to equity holders of the Company** | | | | |
| Share capital | **20,250** | 20,250 | **20,250** | 20,250 |
| Share premium | **197,502** | 197,502 | **197,502** | 197,502 |
| Treasury share | **(1,776)** | (1,776) | **(1,776)** | (1,776) |
| Share option reserve | **261** | 261 | **261** | 261 |
| Foreign exchange translation reserve | **(103)** | (76) | **-** | - |
| Accumulated losses | **(219,970)** | (217,052) | **(220,229)** | (219,453) |
| **Total equity** | **(3,836)** | (891) | **(3,992)** | (3,216) |

**1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:**

**Amount repayable in one year or less, or on demand**

| As at 31/3/2019 | | As at 31/12/2018 | |
|---|---|---|---|
| Secured | Unsecured | Secured | Unsecured |
| HK$'000 | HK$'000 | HK$'000 | HK$'000 |
| Nil | Nil | Nil | Nil |

**Amount repayable after one year**

| As at 31/3/2019 | | As at 31/12/2018 | |
|---|---|---|---|
| Secured | Unsecured | Secured | Unsecured |
| HK$'000 | HK$'000 | HK$'000 | HK$'000 |
| Nil | Nil | Nil | Nil |

**Details of any collateral**

Not applicable.

**1(c) A statement of cash flows for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**Consolidated Statement of Cash Flows (in HK$'000)**

| | Group | |
|---|---|---|
| | Three Months Ended | |
| | **31/3/2019** | 31/3/2018 |
| | **HK$'000** | HK$'000 |
| **Cash flows from operating activities** | | |
| Loss before taxation | | |
| - Continuing operations | **(2,918)** | (4,357) |
| - Discontinued operations | **-** | (6,846) |
| | | |
| Adjustment for: | | |
| Depreciation of plant and equipment | **-** | 34 |
| Impairment loss on plant and equipment | **-** | 476 |
| Provision/ (reversal) of stock obsolescence | **(1,333)** | 63 |
| Reversal loss on trade receivables | **(347)** | - |
| Interest expenses | **-** | 8 |
| Interest income | **(1)** | (2) |
| **Operating cash flows before working capital changes** | **(4,599)** | (10,624) |
| | | |
| **Changes in working capital:** | | |
| Inventories | **1,971** | (5,903) |
| Trade and other receivables | **219** | 8,411 |
| Trade and other payables | **(1,435)** | (10,360) |
| Cash used in operations | **(3,844)** | (18,476) |
| Interest received | **1** | 2 |
| Income tax paid | **(7)** | - |
| **Net cash used in operating activities** | **(3,850)** | (18,474) |
| | | |
| **Cash flows from investing activities** | | |
| Purchases of plant and equipment | **(147)** | (476) |
| **Net cash used in investing activities** | **(147)** | (476) |
| | | |
| **Cash flows from financing activities** | | |
| Interest paid | **-** | (8) |
| **Net cash used in financing activities** | **-** | (8) |
| | | |
| **Net (decrease)/increase in cash and cash equivalents** | **(3,997)** | (18,958) |
| **Effect of exchange rate changes on cash and cash equivalent** | **(20)** | 424 |
| **Cash and cash equivalents at beginning of the period** | **8,573** | 39,718 |
| | | |
| **Cash and cash equivalents at end of the period** | **4,556** | 21,184 |
| | | |

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**STATEMENT OF CHANGES IN EQUITY (in HK$'000)**

| **Group – 1Q 2019** | Share capital | Share premium | Treasury share | Share options reserve | Translation reserve | Accumulated losses | Total equity |
|---|---|---|---|---|---|---|---|
| | **HK$'000** | **HK$'000** | **HK$'000** | **HK$'000** | **HK$'000** | **HK$'000** | **HK$'000** |
| For the three months ended 31 March 2019 | | | | | | | |
| Balance as at 1 January 2019 | 20,250 | 197,502 | (1,776) | 261 | (76) | (217,052) | (891) |
| Loss for the period | - | - | - | - | - | (2,918) | (2,918) |
| Other comprehensive income for the period | - | - | - | - | (27) | - | (27) |
| **Balance at 31 March 2019** | **20,250** | **197,502** | **(1,776)** | **261** | **(103)** | **(219,970)** | **(3,836)** |
| | | | | | | | |
| **Group – 1Q 2018** | | | | | | | |
| For the three months ended 31 March 2018 | | | | | | | |
| Balance as at 1 January 2018 | 20,250 | 197,502 | (1,776) | 554 | (2,786) | (162,910) | 50,834 |
| Loss for the period | - | - | - | - | - | (11,203) | (11,203) |
| Transfer to accumulated losses upon lapse of share option | - | - | - | (163) | - | 163 | - |
| Other comprehensive income for the period | - | - | - | - | 461 | - | 461 |
| **Balance at 31 March 2018** | **20,250** | **197,502** | **(1,776)** | **391** | **(2,325)** | **(173,950)** | **40,092** |

| **Company – 1Q 2019** | Share capital | Share premium | Treasury Share | Share option reserve | Accumulated losses | Total Equity |
|---|---|---|---|---|---|---|
| | **HK$'000** | **HK$'000** | **HK$'000** | **HK$'000** | **HK$'000** | **HK$'000** |
| For the three months ended 31 March 2019 | | | | | | |
| Balance as at 1 January 2019 | 20,250 | 197,502 | (1,776) | 261 | (219,453) | (3,216) |
| Loss for the period | - | - | - | - | (776) | (776) |
| **Balance at 31 March 2019** | **20,250** | **197,502** | **(1,776)** | **261** | **(220,229)** | **(3,992)** |
| | | | | | | |
| **Company – 1Q 2018** | | | | | | |
| For the three months ended 31 March 2018 | | | | | | |
| Balance as at 1 January 2018 | 20,250 | 197,502 | (1,776) | 554 | (213,453) | 3,077 |
| Profit for the period | - | - | - | - | 234 | 234 |
| Transfer to accumulated losses upon lapse of share option | - | - | - | (163) | 163 | - |
| **Balance at 31 March 2018** | **20,250** | **197,502** | **(1,776)** | **391** | **(213,056)** | **3,311** |

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.**
**State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Share Capital

Details of change in the Company's share capital since the last reported period are as follows:-

| | Group and the Company | |
|---|---|---|
| | Number of Ordinary Shares | Share capital and premium (HK$'000) |
| As at 31 December 2018 and 31 March 2019 (excluding treasury shares) | 40,046,193 | 215,976 |

The Company has 453,800 treasury shares as at 31 March 2019 (31 December 2018: 453,800 treasury shares).

Share Options

The numbers of shares that may be issued on conversion of all outstanding options under performance share plan are as follows:-

| | As at 31/3/2019 | As at 31/12/2018 |
|---|---|---|
| Outstanding options | 4,000 | 4,000 |

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

| | As at 31/3/2019 | As at 31/12/2018 |
|---|---|---|
| Total number of issued shares excluding treasury shares | 40,046,193 | 40,046,193 |

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not Applicable.

**1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not Applicable.

**2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's external auditor.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

There are a number of new or revised International Financial Reporting Standards ("IFRSs") and related interpretations promulgated by International Financial Reporting Interpretations Committee ("IFRICs") that are effective for accounting periods beginning on or after 1 January 2019. The adoption of these new IFRSs did not have any material impact on the financial information of the Group for period ended 31 March 2019. Save as aforesaid, the accounting policies and methods of computation used in the preparation of the financial information of the Group for the period ended 31 March 2019 are the same as those used in the annual financial statements of the Group for the year ended 31 December 2018.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group adopted the new or amended IFRSs and IFRICs that are mandatory for application for financial periods beginning on or after 1 January 2019. The adoption of these new/revised IFRSs and IFRICs did not result in substantial changes to the Group's accounting policies nor any significant impact on the consolidated financial statements.

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

**Continuing operations**

| | Group | |
|---|---|---|
| | **1Q2019** | **1Q2018** |
| Earnings per ordinary share based on the net profit for the period | | |
| (a) Based on weighted average number of ordinary shares on issue (HK$ cents); | (7.3) | (10.9) |
| (b) On a fully diluted basis (HK$ cents) | (7.3) | (10.9) |
| | | |
| Number of ordinary shares in issue (excluding treasury shares) | | |
| Weighted average number of ordinary shares for the purpose of basic earnings per share | 40,046,193 | 40,046,193 |
| Effective of potentially dilutive ordinary shares – Share options | 4,000 | 16,000 |
| Weighted average number of ordinary shares for the purpose of diluted earnings per share | 40,050,193 | 40,062,193 |

**Discontinued operations**

| | Group | |
|---|---|---|
| | **1Q2019** | **1Q2018** |
| Earnings per ordinary share based on the net profit for the period | | |
| (a) Based on weighted average number of ordinary shares on issue (HK$ cents); | - | (17.1) |
| (b) On a fully diluted basis (HK$ cents) | - | (17.1) |
| | | |
| Number of ordinary shares in issue (excluding treasury shares) | | |
| Weighted average number of ordinary shares for the purpose of basic earnings per share | 40,046,193 | 40,046,193 |
| Effective of potentially dilutive ordinary shares – Share options | 4,000 | 16,000 |
| Weighted average number of ordinary shares for the purpose of diluted earnings per share | 40,050,193 | 40,062,193 |

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**
**(a) current financial period reported on; and**
**(b) immediately preceding financial year.**

| | Group | | Company | |
|---|---|---|---|---|
| | **31/3/2019** | **31/12/2018** | **31/3/2019** | **31/12/2018** |
| Net asset value per ordinary share based on issued share capital (HK$) | (9.6) | (2.2) | (10.0) | (8.0) |
| Number of ordinary shares in issue excluding treasury shares | 40,046,193 | 40,046,193 | 40,046,193 | 40,046,193 |

Net asset value per ordinary share at the end of the financial periods presented has been computed based on the combined net assets of the Group as at the respective reporting period and the number of ordinary shares at 31 March 2019 of 40,046,193 shares (31 December 2018: 40,046,193 shares).

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
**(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable)seasonal or cyclical factors; and**
**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

**Continuing operations**

**Turnover**

Turnover decreased by 71.0% or HK$12.2 million from HK$17.1 million in 1Q 2018 to HK$4.9 million in 1Q 2019. This substantial decrease in turnover was attributed to the downturn of the consumer audio industry. Our major ODM customers suffered financial difficulties and retreated from the audio market in 2018. On the other hand, the new licensing business just started in Q1 2019 and still needed time to pick up.

**Gross profit and margin**

Gross profit decreased by HK$2.1 million from HK$3.0 million in 1Q 2018 to HK$0.9 million in 1Q 2019 mainly due to the decrease of sales. The gross profit margin increased by 1.4% from 17.3% in 1Q 2018 to 18.7% in 1Q 2019 was mainly due to the increase of licensing sales with higher margin.

**Selling and distribution expenses**

Selling and distribution expenses decreased by 42.3% or HK$0.5 million from HK$1.3 million in 1Q 2018 to HK$0.8 million in 1Q 2019 mainly due to the decrease in staff costs HK$0.3 million, transportation costs HK$0.3 million, partially offset by increase of licensing fee HK$0.1 million.

**General and administrative expenses**

General and administrative expenses decreased by 48.7% or HK$2.9 million from HK$6.0 million in 1Q 2018 to HK$3.1 million in 1Q 2019 mainly due to the decrease of staff cost and directors' emolument HK$2.4 million and reversal of impairment loss on accounts receivable HK$0.3 million.

**Loss before income tax**

Loss before income tax decreased by HK$1.5 million from HK$4.4 million in 1Q 2018 to HK$2.9 million in 1Q 2019, mainly due to savings on selling, general and administrative expenses higher than the margin loss from lost sales.

**Financial Position**

Contract liabilities decreased by HK$1.1 million from HK$7.8 million as at 31 December 2018 to HK$6.7 million as at 31 March 2019 as some deposits made by customers for licensing business were realized as sales in Q1 2019.

**Statement of Cash Flows**

Net cash used in operating activities decreased by HK$14.7 million from HK$18.5 million in 1Q 2018 to HK$3.8 million in 1Q 2019, mainly due to reduction of cash outflow after the closure of production facilities in September, 2018.

As at 31 March 2019, the Group has cash and bank balances of HK$4.6 million (31 December 2018: HK$8.6 million) with no bank borrowings (FY2017: HK$Nil).

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

The company has not provided any prospect statement.

**10. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

In past quarter, we made a lot of efforts to develop the distribution network for Monster* products. We engaged with several distributors in APAC. They are keen to get Monster products to distribute in APAC. Meanwhile, our newly developed Monster products also attracted the attention from ex-Monster distributors in Europe and US.

For the newly developed Monster products, they are mainly portable and wearable audio devices. We developed several brand new models for True Wireless (TWS) earbud including Active Noise Cancellation (ANC) version. We spent a lot of effort to integrate the ANC to TWS earbud. We are one of few companies that can provide this function to the market.

During last quarter, we identified several strategic partners in earphone/headphone and speakers. They provide the priority services to the group in order to develop the unique and special products for Monster to win the competition against other brands in the market. We are also looking for opportunities to pursue the industrial and commercial market, including the hotel and auto industry. Going forward, we will keep identifying good manufacturing subcontractors with strong product and design competence.

In coming quarters, we will expand the product range to more mobile accessories and travel bags using the Monster brand. It helps to develop the much wider distribution network which is not limited to consumer electronics.

The Monster license business has shown reasonable gross profit and growth of revenue. There are many opportunities for Monster license business in the market. It is envisaged that the business may require more capital as we ramp up revenues and improve margins. Our going concern issue is being addressed with new businesses going forward which will also require new capital.

* Monster Inc. is now the world's leading manufacturer of high performance cables that connect audio/video components for home, car and professional use as well as computers and computer games. For details, please click the link below:

https://www.monsterstore.com/pages/about-monster.

## 11. Dividend

### (a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Nil

### (b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Nil

### (c) Date payable

Not applicable.

### (d) Books closure date

Not applicable.

## 12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared and recommended for the first quarter ended 31 March 2019 as the Company need to reserve the funds for working capital.

## 13. Interested Person Transactions ("IPTs")

The Company does not have a Shareholders' Mandate for Interested Person Transactions. There were no interested person transactions with amount exceeding S$100,000 during 1Q 2019.

## 14. Negative assurance confirmation on interim financial results under Rule 705 (5) of the SGX-ST.

The directors of the Company confirm that to the best of their knowledge, nothing has come to their attention which may render the 1Q 2019 financial results to be false or misleading, in any material aspect.

## 15. Undertakings Confirmation pursuant to Rule 720(1) of the Listing Manual

The Company hereby confirms that the undertakings as required in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual has been procured from all its Directors and Executive Officers.

BY ORDER OF THE BOARD

Liu Wai Man
Lisa Cheng
Company Secretaries
9 May 2019