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

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST")

Plastoform Holdings Limited (the "Company"), and together with its subsidiaries, (the "Group") was placed on the Minimum Trading Price ("MTP") watch-list pursuant to Listing Rule 1311 on 5 June 2017.

Pursuant to Listing Rule 1313(2), the Board of Directors of the Company wishes to provide the following updates for the year ended 31 March 2018 ("1Q 2018").

Update on Financial Situation

For 1Q 2018, the Group recorded an unaudited net loss after income tax of HK$11.2 million as compared to a net loss after income tax of HK$15.9 million for the same period of last year (1Q 2017). The decrease of loss was mainly due to increase of sales and savings from further cost reduction.

For more details on the results and financial position of the Group for 1Q 2018, please refer to our separate announcement released on 26 April 2018.

Update on Future Direction

The Global Bluetooth speaker market is still flooded with endless numbers of new brands launching their Bluetooth speakers. The three tech giants – Amazon, Google, and Apple also launched their smart audio speakers which add greater competitive pressure to the Global Consumer Audio Marketplace. Our major customers in the audio field suffered a significant drop in sales which induced the decline in the Group's business.

The Group instituted stringent cost controls and streamlined organizational structure and operational procedures. All new projects and investment in new products have to be scrutinized extra carefully especially to ensure that product sold to our customers must sell quickly. The connectivity of the Internet coupled with audio as a medium of interaction is opening up a range of new possibilities for the use of Internet of Things (IoT). The Smart audio speakers introduced the Voice Recognition (VR) control to the consumer market, which probably can be used as an input and control medium for forthcoming years in consumer electronic devices. It is about to bring us, as well as our customers an opportunity to apply VR in a wide scope of products including the speakers. We will work with major customers to develop products with the VR feature in order to capture more business.

As part of risk management strategy, we will expand our business to the commercial and industrial sectors with different technology and product applications. We are confident that we will acquire new customers by leveraging our core audio competence. Aggressive sales and relationship strategies will be employed to fight for more revenues.

Last but not least, we will definitely maintain our core competence in the digital audio industry to provide excellent product development and manufacturing, industrial product design, R&D and engineering services for customers. We have and continue to design, develop and manufacture new and innovative smart audio products and VR devices.

As the business conditions continue to be challenging, seeking new capital, new partners, and diversification into a few new business segments is an urgent and necessary direction for the Group. Fundraising option including rights issue exercises are being considered by the Company to obtain additional cash in order to meet its working capital needs.

In the event that customer acquisition becomes an expensive and lengthy process, we will also consider selling directly our products in the established online marketplace.

The Company will continue to consider various options to meet the requirements of Rule 1314(2) of the SGX-ST Listing Manual pursuant to the MTP exit criterion and will update its shareholders in due course.

The Company will make further announcements to update shareholders of the Company as and when there are any material developments in this matter.

BY ORDER OF THE BOARD

Tse Kin Man
Executive Director and CEO

26 April 2018