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

I. ANNOUNCEMENT PURSUANT TO RULE 704(5) OF THE SGX-ST LISTING MANUAL – DISCLAIMER OF OPINION BY INDEPENDENT AUDITORS ON FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

II. ADJUSTMENTS BETWEEN THE PRELIMINARY FULL YEAR RESULT AND THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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1. Disclaimer of Opinion included in the Independent Auditor's Report on the consolidated financial statements of the Company and its subsidiaries for the financial year ended 31 December 2017

The Board of Directors (the "**Board**") of Plastoform Holdings Limited (the "**Company**") would like to announce that the Company's Independent Auditor, Foo Kon Tan LLP, have included a Disclaimer of Opinion in the Independent Auditor's Report on the consolidated financial statements of the Company and its subsidiaries for the financial year ended 31 December 2017.

The Independent Auditor's Report to the Shareholders is annexed to this Announcement.

2. Adjustments between the preliminary full year results announcement and the consolidated financial statements for the financial year ended 31 December 2017

The Board refers to the Company's unaudited full year results announcement for the financial year ended 31 December 2017 which was released on 27 February 2018. In compliance with Rule 704(6) of the Listing Manual, the Company would like to announce that there were differences between the audited financial statements and the unaudited full year results in respect of the financial year ended 31 December 2017 following the finalisation of the audit. Details and clarifications of the adjustments are as annexed to this announcement.

BY ORDER OF THE BOARD

Tse Kin Man
Executive Director and Chief Executive Officer
29 March 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of Plastoform Holdings Limited
(Incorporated in the Bermuda with Limited Liability)

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the accompanying financial statements of Plastoform Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2017, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

We do not express an opinion on the accompanying financial statements of the Company. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

Appropriateness of going concern assumption

We draw attention to Note 2 to the financial statements which describes the material uncertainty regarding the going concern assumption of the Group and the Company. The Group's revenue has decreased significantly from HK$281.8 million in FY 2015 to HK$248.1 million in FY 2016 and HK$110.1 million in FY 2017 due to emergence of smart audio products which directly affected the demand for the Group's traditional Bluetooth speakers. The Group has reported its third consecutive year of losses of HK$47.9 million (2016: HK$7.6 million and 2015: HK$11.1 million) and reported net cash outflows from operating activities of approximately HK$14.8 million (2016: HK$11.5 million).

As at 31 December 2017, the Group and the Company has cash and bank balances of HK$39.7 million and HK$3.2 million, respectively (2016: HK$61.2 million and HK$4.8 million), and the monthly cash burn rate for the month of January 2018 and February 2018 was HK$2.5 million and HK$4.7 million, respectively. The above conditions indicate the existence of a material uncertainty which may cast significant doubt on the ability of the Group and the Company to continue as a going concern. Notwithstanding these conditions, the Group has prepared the financial statements on a going concern basis as management is exploring fund raising options, including rights issue exercise, collaborations with new partners as well as diversification into a few new business segments as announced in its FY 2017 full year results announcement on 27 February 2018.

We have reviewed the 12-month cash flow projection prepared by management to monitor and manage the liquidity position of the Group. The cash flow projection is dependent on numerous parameters and assumptions made by management, which includes forecast revenue, gross profit margin, forecast operating expenses and forecast changes in working capital, as well as a revised repayment plan amounting to HK$7.3 million due from a major customer, to be proposed to the Group. Depending on the crystallisation or realisation of the multiple significant uncertainties and assumptions, the cash flow projection shows a deficiency in cash and bank balances in certain months during the forecast period ending 31 December 2018. In addition, letters of financial support from the substantial shareholders to undertake and provide the necessary financial support to the Group and the Company so that the Group and the Company are able to pay its debts as and when they fall due are being discussed. We are therefore unable to conclude whether the use of the going concern assumption, which has been adopted for the preparation of the accompanying financial statements, is appropriate.

INDEPENDENT AUDITOR'S REPORT

To the Members of Plastoform Holdings Limited
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Basis for Disclaimer of Opinion (Cont'd)

Appropriateness of going concern assumption (Cont'd)

If for any reason the Group and the Company are unable to continue as going concerns, several adjustments would have to be made to the accompanying financial statements. Assets may need to be realised other than in the normal ordinary course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the financial statements. In addition, the Group and the Company may have to provide for further liabilities that might arise, and to reclassify non-current assets to current assets. The accompanying financial statements do not reflect these adjustments.

Recoverability of trade receivables

As at 31 December 2017, the Group has significant concentration of credit risk as approximately 76% of the Group's trade receivables are from the Group's two largest customers. Subsequent to the balance sheet date, management has successfully negotiated and agreed to a revised repayment plan with one of the two largest customers and has since collected approximately HK$10.9 million, with the remaining balance of HK$17.6 million to be received by May 2018. In respect of the other major customer, the major customer has requested to defer the payment until end May 2018 and the total outstanding overdue balance amounted to HK$7.3 million as at the date of this report. Management has also temporarily ceased all sales made to this major customer since March 2018. No impairment loss has been recognised by the Group for the financial year ended 31 December 2017. The audit evidence is limited and we are unable to obtain sufficient appropriate evidence to ascertain the recoverability of the outstanding balances due from these major customers.

Any delay in repayments by the two largest customers and the possible loss of these two customers will further impact the Group's profit and cash flow forecast used to assess the appropriateness of going concern assumption as highlighted in the above paragraphs.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of Section 90 of the Companies Act 1981 of Bermuda and International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's and the Company's abilities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

To the Members of Plastoform Holdings Limited
(Incorporated in the Bermuda with Limited Liability)

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the Company's financial statements in accordance with International Standards on Auditing and to issue an auditor's report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for *Public Accountants and Accounting Entities* (ACRA Code) and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements, the ACRA Code and IESBA Code.

Other matters

Placement on the Watch-list

On 2 June 2017, the Company announced that the Singapore Exchange Securities Trading Limited (the "SGX-ST") has notified the Company that pursuant to Rule1311(1), it will be placed on the Watch-list due to the Minimum Trading Price ("MTP") Entry Criteria with effect from 5 June 2017. The Company must take active steps to meet the requirements under Rule 1314(1) of the Listing Manual of the SGX-ST (the "Listing Manual") for its removal from Watch-List within 36 months from 5 June 2017, failing which, SGX-ST may either remove the Company from the official list of the SGX-ST (the Official List"), or suspend trading of the Company with a view to remove the Company from the Official List.

Unauthorised use of computer software

The Hong Kong Customs and Excise Department (the "HK Customs") visited the Company's Hong Kong office located at Kwai Chung on 20 October 2015 for the investigation of suspicious unauthorised use of computer software in business. Certain Company's computers were detained by the HK Customs for further investigation. As at the balance sheet date, the investigation by the HK Customs is still ongoing and accordingly, no provision has been made for this amount in the financial statements as no reliable estimate can be made of the amount of the obligation.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 29 March 2018

Plastoform Holdings Limited
Reconciliation Schedule between FY 2017 Unaudited Results vs Audited Results

Consolidated Statement of Financial Position	Audited HK$'000	Unaudited HK$'000	Variance HK$'000	Remarks
Non-current assets				
Plant and equipment	863	10,655	(9,792)	The difference relates to impairment loss recognised on plant and equipment of HK8,724,000 & adjustments noted on translation difference on plant and equipment of HK$1,026,000
Intangible assets	460	460	-	
	1,323	11,115		
Current assets				
Inventories	19,771	18,343	1,428	Overstatement of COGS and understatement of finished goods
Trade and othe receivables	54,837	54,837	-	
Cash and cash equivalents	39,718	39,718	-	
	114,326	112,898	1,428	
Total assets	115,649	124,013	(8,364)	
Equity and Liabilities				
Capital and Reserves				
Share capital	20,250	20,250	-	
Reserves	30,584	38,948	(8,364)	
	50,834	59,198	(8,364)	
Current Liabilities				
Trade and other payables	64,815	64,815	-	
Tax payable	-	-		
	64,815	64,815	-	
Tota equity and liabilities	115,649	124,013	(8,364)	

Plastoform Holdings Limited
Reconciliation Schedule between FY 2017 Unaudited Results vs Audited Results

Consolidated Statement of Comprehensive Income	Audited HK$'000	Unaudited HK$'000	Variance HK$'000	Remarks
Revenue	110,102	110,102	-	
Cost of sales	(95,726)	(97,154)	1,428	Overstatement of COGS and understatement of finished goods
Gross profit	14,376	12,948	1,428	
Other operating income	2,117	2,117	-	
Selling and distribution expenses	(8,949)	(8,949)	-	
General and administrative expenses	(55,407)	(46,684)	(8,723)	Impairment loss recognised on plant and equipment
Finance costs	(59)	(59)	-	
Loss before income tax	(47,922)	(40,627)	(7,295)	
Income tax expense	(12)	(12)	-	
Loss for the year	(47,934)	(40,639)	(7,295)	
Exchange differences on translation of foreign operations (at nil tax)	1,555	2,624	(1,069)	Adjustments noted on translation difference on plant and equipment
Total comprehensive income	(46,379)	(38,015)	(8,364)	

Plastoform Holdings Limited
Reconciliation Schedule between FY 2017 Unaudited Results vs Audited Results

Statement of Financial Position	Audited HK$'000	Unaudited HK$'000	Variance HK$'000	Remarks
Non-current assets				
Subsidiaries	4,751	4,751	-	
	4,751	4,751		
Current assets				
Inventories	-	-	-	
Trade and othe receivables	178	68,325	(68,147)	Impairment loss on amount due from subsidiaries
Cash and cash equivalents	3,192	3,192	-	
	3,370	71,517	(68,147)	
Total assets	8,121	76,268	(68,147)	
Equity and Liabilities				
Capital and Reserves				
Share capital	20,250	20,250	-	
Reserves	(17,173)	50,974	(68,147)	
	3,077	71,224	(68,147)	
Current Liabilities				
Trade and other payables	5,044	5,044	-	
Tax payable	-	-		
	5,044	5,044	-	
Tota equity and liabilities	8,121	76,268	(68,147)	