PLASTOFORM HOLDINGS LIMITED

(Incorporated in Bermuda)
(Company Registration No. 34171)

NON-BINDING TERM SHEET IN RELATION TO THE PROPOSED CONVERTIBLE LOAN

1. INTRODUCTION

The Board of Directors (the "**Board**" or the "**Directors**") of Plastoform Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce (this "**Announcement**") that the Company had on 20 October 2021 entered into a non-binding term sheet (the "**Term Sheet**") with JCS INVK Pte. Ltd. (the "**Investor**") pursuant to which the Investor will agree to extend, and the Company will grant, a loan facility of an aggregate principal amount of up to S$2.5 million (the "**Proposed Convertible Loan**"), with the conversion rights (the "**Conversion Rights**") to convert outstanding loans thereunder into fully paid-up ordinary shares in the capital of the Company (the "**Shares**") (the "**Conversion Shares**"). The Conversion Rights will be subject to the approval of the shareholders of the Company (the "**Shareholders**") at an extraordinary general meeting ("**EGM**") to be convened.

The Term Sheet provides the basis of the definitive agreements relating to the Proposed Convertible Loan (the "Definitive Agreements") to be entered into subsequently. Shareholders should note that the commercial terms of the Term Sheet relating to the Proposed Convertible Loan and other transactions disclosed in this Announcement are non-binding (save for the Introducer Fee (as defined below) and customary clauses on, *inter alia*, confidentiality and governing law) and are subject to, amongst others, further due diligence, negotiations between the parties and the parties' entry into the Definitive Agreements. There is no assurance or certainty that any Definitive Agreements will be eventually entered into on the same terms set out herein and/or that such agreements, having been entered into and being subject to certain conditions, will be completed. The Company will make further announcements as and when there are material updates to the foregoing, in accordance with the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").

2. INFORMATION ON THE INVESTOR AND THE INTRODUCER

The information on the Investor and the Introducer (as defined below) in this paragraph was provided by the Investor and the Introducer respectively. In respect of such information, the Company and its Directors have not independently verified the accuracy and correctness of the same and the Company's responsibility is limited to the proper extraction and reproduction herein in the context that the information is being disclosed in this Announcement.

The Investor is a Singapore incorporated investment holding company. It is a wholly-owned subsidiary of JCS Group Pte. Ltd., which is in the business of machinery trading, technology and manufacturing, and which ultimate beneficial owner is Mr Yeo Hock Huat, a Singaporean businessman.

The Investor was introduced to the Company by One World Business Advisory Pte. Ltd. (the "**Introducer**"). Under the Term Sheet, the Company is obliged to pay an introduction fee equivalent to six per cent. (6%) of the aggregate outstanding sums to be converted under the Proposed Convertible Loan (the "**Introduction Fee**"), only upon the successful completion of the proposed transaction. The Introduction Fee will be satisfied by the allotment and issuance of new fully-paid up Shares to the Introducer (the "**Introducer Shares**").

Further details on the Investor, the Introducer and their respective relationships with the Company, its Directors and substantial Shareholders will be announced in due course after the Definitive Agreements have been entered into.

3. SALIENT TERMS OF THE TERM SHEET

3.1 The Proposed Convertible Loan

The Investor shall extend the Proposed Convertible Loan to the Company, for an aggregate principal amount of up to S$2.5 million, which shall be drawn down by the Company in tranches according to its working capital requirements and subject to the mutual agreement between the Company and the Investor. The parties intend that the Proposed Convertible Loan will be directly disbursed to the JV Company (as defined below).

The Conversion Rights shall, upon the fulfilment of the requisite conditions precedent (which includes, *inter alia*, Shareholders' approval at the EGM to be convened), entitle the Investor to convert the outstanding sums under the Proposed Convertible Loan into Conversion Shares upon such terms to be negotiated and agreed between the parties in the Definitive Agreements. For the avoidance of doubt, the loan facility under the Proposed Convertible Loan is not subject to Shareholder approval, and will be disbursed to the Company to meet its working capital needs prior to the EGM to be convened in respect of the issuance of the Conversion Rights and the Introducer Shares.

Further details on the Conversion Rights, the conversion price per Conversion Share, and other salient details will be announced after the Definitive Agreements have been entered into.

3.2 The Proposed New Business and Incorporation of the JV Company

Concurrently with the Proposed Convertible Loan, the Company intends to carry out new business with the Investor through a newly-incorporated Singapore subsidiary (the "**JV Company**") (the "**Proposed New Business**"). Subject to further negotiations between the parties, it is currently envisaged that the Proposed New Business will include trading of and manufacturing electronic devices and other technology products.

Subject to the Definitive Agreements, the Company intends to incorporate or acquire the JV Company and shall hold 51% of its total issued share capital. The remaining 49% will be directly held by the Investor or its affiliated companies.

3.3 The Proposed Scheme of Arrangement

Pursuant to the Term Sheet, the Company shall also propose a scheme of arrangement (the "**Proposed Scheme**") with all of its creditors to reorganise the existing indebtedness of the Company.

3.4 Conditions Precedent

The Definitive Agreements shall contain the customary conditions precedent for a transaction of this nature, including but not limited to the following:

(a) the completion of due diligence to the satisfaction of the parties;

(b) approval in-principle being obtained by the Company from the SGX-ST for, amongst others, the resumption of trading of the Shares upon conversion of the Proposed Convertible Loan, and the listing and quotation of the Conversion Shares and Introducer Shares on the Main Board of the SGX-ST; and

(c) Shareholders' approval being obtained by the Company for all resolutions required to approve, implement and/or effect the proposed transactions contemplated under the Definitive Agreements, including in respect of the issuance of the Conversion Rights under the Proposed Convertible Loan, the Conversion Shares and the Introducer Shares.

4. RATIONALE FOR THE PROPOSED CONVERTIBLE LOAN

The Proposed Convertible Loan will facilitate the resumption of trading of Shares in the Company. As of 31 December 2020, the Group is currently in a net liability position. Assuming the Proposed Convertible Loan is issued, it will provide funds to the Company to, amongst others, facilitate the reorganisation of its liabilities and debts under the Proposed Scheme and place the Group into a significantly stronger financial position and capital base.

In addition, the Proposed New Business will enable the Company to broaden its streams of income revenue, thereby facilitating the Company's attempts to build a profitable recurrent business and operate as a going concern in the long term. Fuller details will be announced by the Company if and when the Definitive Agreements are entered into.

5. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company collectively and individually accept full responsibility for the accuracy of the information given in this Announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Announcement constitutes full and true disclosure of all material facts of the Term Sheet, the Proposed Convertible Loan and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Announcement misleading.

Where information in this Announcement (including information relating to the Investor) has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Announcement in its proper form and context.

6. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when trading in the shares of the Company as the Term Sheet is non-binding in nature. There is no assurance or certainty that any Definitive Agreements will be eventually entered into on the same terms set out herein and/or that such agreements, having been entered into and being subject to certain conditions, will be completed. In the event of any doubt as to the action they should take, Shareholders and potential investors should consult their stock brokers, bank managers, solicitors or other professional advisors.

BY ORDER OF THE BOARD
Plastoform Holdings Limited

Tse Kin Man
Non-Executive Chairman and Director

20 October 2021