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

RESPONSE TO QUERIES FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST") ON ANNUAL REPORT FY2016 AND THE UNAUDITED FINANCIAL STATEMENTS FOR FY2016

The Board of Directors (the "Board") of PLASTOFORM HOLDINGS LIMITED (the "Company") refers to the following query raised by the SGX-ST on 25 April 2017 and would like to provide additional information in relation to the Company's annual report ("Annual Report") for the financial year ended 31 December 2016 ("FY2016") and the unaudited financial statements for FY2016, as follows:

SGX-ST's Query 1:

We refer to Plastoform Holdings Limited's Annual Report for Financial Year ended 31 December 2016.

We note that Foo Kon Tan LLP, the Independent Auditor, had stated that there are conditions that "indicates the existence of a material uncertainty that may cast significant doubt on the Group's and the Company's ability to continue as a going concern". For the purpose of determining if Rule 1303(3)(c) should apply, please provide the following information:

a. the Board's opinion if the Company will be able to operate as going concern and basis for the Board's view; and

b. the Board's confirmation that all material disclosures have been provided for trading of the Company's shares to continue.

Company's response:

a. The Board is of the opinion that the Company will be able to operate as a going concern after taking into consideration the following factors:

   (i) The Company and the Group were in the net tangible assets position of HK$99.1 million, with cash & bank balance of HK$61.2 million. There was no borrowing;

   (ii) As at the date of this announcement, the Company and the Group collected 92% or HK$67.5 million out of HK$73.4 million AR as at 31 December, 2016;

   (iii) A new deputy CEO was on board in November, 2016, who is charged to lead, re-engineer and transition the Company into an advanced and innovative technology company;

   (iv) Based on the projected cash flow forecast, the Company and the Group are expected to have sufficient cash to meet its debts and liabilities in the next 12 months.

b. The Board confirms that, to the best of their knowledge, all material disclosures have been provided for trading of the Company's share to continue.

SGX-ST's Query 2:

We further refer to the "Financial Statements and Related Announcement: Full Yearly Results" by the Company on 28 February 2017.

It was disclosed that general and administrative expenses decreased by 25.1% "mainly due to reclassification". Please provide the reasons for reclassification and quantify the effect from the reclassification.

Company's response:

General and administrative expenses decreased by 25.1% or HK$3.7 million from HK$14.8 million in 4Q 2015 to HK$11.1 million in 4Q 2016 mainly due to reclassification, better management of staff costs and also an increase in exchange gain. They accounted for HK$0.9 million, HK$1.3 million and HK$1.3million respectively. Starting from July 2016, the Company was restructured the organization by transferring more R&D staff into our sales team. Their costs were originally recorded in G&A expenses and then transferred to salaries under the selling expenses. The new sales business unit structure was designed to improve the accountability of performance and better technical/products service & supports provided to our customers before and after realization of sales.

SGX-ST's Query 3:

It was disclosed that trade receivables had increased by HK$13.9 million "mainly due to longer credit terms extended to one major customer".

a. Please provide the reasons for this major customer not paying within normal credit terms.
b. Please provide details on what are the extended credit terms.
c. Please disclose if the Company is still trading with this major customer, and how much is outstanding from this major customer.

Company's response:

a. Its payments for invoices due were delayed one to three weeks, which fell into its normal payment practice

b. This is a reputable & loyal customer with over 5-year business relationship with the Company. As its payment schedule was still within its normal payment practice, the Company allowed the temporarily extension of its payment period.

c. The Company is still trading with this major customer. The outstanding amount as at 31 December, 2016 was fully collected in Q1 2017. The current outstanding amount is HK$5.9 million and the company is in the course of negotiating the repayment schedule with this customer.

BY ORDER OF THE BOARD

Tse Kin Man
Executive Chairman

26 April 2017