

## **PLASTOFORM HOLDINGS LIMITED**

(Company Registration Number: 34171)

(Incorporated in Bermuda)



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

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Plastoform Holdings Limited (the “Company”), and together with its subsidiaries, (the “Group”) was placed on the watch-list under Minimum Trading Price (“MTP”) Entry Criteria and Financial Entry Criteria pursuant to Listing Rule 1311 on 5 June 2017 and 5 June 2018 respectively.

Pursuant to Listing Rule 1313(2), the Board of Directors of the Company wishes to provide the following updates for the year ended 31 December 2018 (“4Q 2018”).

#### **Update on Financial Situation**

For 4Q 2018, the Group recorded an unaudited net profit after income tax of HK\$14.7 million, including a gain on deconsolidation of subsidiary HK\$16.6 million, as compared to a net loss after income tax of HK\$10.4 million for the same period of last year (4Q 2017).

For more details on the results and financial position of the Group for 4Q 2018, please refer to our separate announcement released on 18 February 2019.

#### **Update on Future Direction**

As reported earlier, much efforts were made to maintain the factory operations in last few years. Unfortunately, the consumer audio market declined very sharply and closure of factory becomes unavoidable. Our 3 major customers had major problems which causes sales orders to slip significantly. With closure of our factory, we managed to work with a few manufacturing subcontractors to fulfill our orders at hand. The core engineering team and competence are still with us for future business and development. Going forward, we will now rely on external manufacturing subcontractors while focusing on our product design and development strength. We will also include commercial and industrial products which may provide us with higher margin and less competition.

US customers continue to contribute more than 80% of our business. Under the trade-tension between China and US, we foresee that the US government is likely to apply further tariffs to more products from China commencing from March 2019. With this in mind, we continue to explore more manufacturing subcontractors in Malaysia.

The brand licensing agreement with Monster Inc. for the Asia Pacific market which was signed for 6 years will give us much to do with Monster channels in this territory. This new activity will also help us to transform ourselves into a Sourcing and Development Product Partner for Monster to tap on their strong distribution network in the Asia Pacific region as well as potentially globally. We will also provide wider range of products which includes Speakers,

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Headphone, Earphones, in addition to industrial and commercial products as mentioned above.

The Monster license business has already started to contribute revenues and margins to the group. From the distribution networks of Monster to other new customers, we are hopeful of a return in demand and growth. However, the business will require much more working capital urgently as we establish ourselves with various new players. Our capital structure has weakened significantly. Our negative working capital requires us to address our going concern issue. As such, we need to explore various funds raising avenues immediately.

The Company will continue to consider various options to meet the requirements of Rule 1314(1) and Rule 1314(2) of the SGX-ST Listing Manual pursuant to the Financial Exit Criteria and MTP Exit criteria 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**

Tan Tien Hin Winston  
Non-Executive Chairman and Director

18 February 2019