PLASTOFORM HOLDINGS LIMITED
(Incorporated in Bermuda)
(Co. Reg. No: 34171)

UNAUDITED RESULTS FOR THE QUARTER ENDED 31 MARCH 2017

The Directors of Plastoform Holdings Limited wish to announce the following unaudited results of the Group for the quarter ended 31 March 2017

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Comprehensive Income (in HK$'000)

	Group		
	Three Months Ended 31 March		
	2017	2016	**%**
Revenue	**12,083**	43,569	(72.3%)
Cost of sales	**(12,014)**	(36,035)	(66.7%)
Gross profit	**69**	7,534	(99.1%)
Other operating income	**199**	155	28.4%
Selling and distribution expenses	**(2,389)**	(1,963)	21.7%
General and administrative expenses	**(13,825)**	(13,839)	(0.1%)
Loss before income tax	**(15,946)**	(8,113)	96.5%
Income tax expense	**-**	-	N/M
Loss for the period	**(15,946)**	(8,113)	96.5%
Other comprehensive income for the period, net of tax:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations (at nil tax)	**524**	394	33.0%
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	**524**	394	33.0%
Total comprehensive loss attributable to owners of the Company	**(15,422)**	(7,719)	99.8%

1(a)(ii) Loss before tax is arrived at after charging/(crediting) the following significant items:

	Group		
	Three Months Ended 31 March		
	2017	2016	**%**
	HK$'000	HK$'000	Change
Interest income	**(7)**	(4)	75.0%
Depreciation of plant and equipment	**1,274**	812	56.9%
Net exchange loss/(gains)	**505**	(61)	N/M

N/M: Not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Statements of Financial Position (in HK$'000)

	Group		Company	
	31/3/2017	31/12/2016	**31/3/2017**	31/12/2016
	HK$'000	HK$'000	**HK$'000**	HK$'000
ASSETS				
Non-current assets				
Plant and equipment	**7,613**	8,270	**-**	-
Intangible asset – club memberships	**690**	690	**-**	-
Investments in subsidiaries	**-**	-	**72,889**	72,889
	8,303	8,960	**72,889**	72,889
Current assets				
Inventories	**18,737**	17,155	**-**	-
Trade receivables	**18,916**	73,393	**-**	-
Deposits, prepayments and other receivables	**3,737**	10,204	**218**	97
Amount due from subsidiaries	**-**	-	**70,844**	71,064
Bank deposit pledged	**10,497**	10,390	**-**	-
Cash and cash equivalents	**55,459**	50,808	**4,268**	4,820
	107,346	161,950	**75,330**	75,981
Total assets	**115,649**	170,910	**148,219**	148,870
Current liabilities				
Trade payables	**15,287**	61,310	**-**	-
Other payables and accruals	**10,311**	9,404	**514**	397
Deposits received in advance from customers	**5,623**	346	**-**	-
Amount due to subsidiaries	**-**	-	**2,828**	2,828
Amount due to a shareholder	**731**	731	**731**	731
Tax payable	**-**	-	**-**	-
	31,952	71,791	**4,073**	3,956
Net current assets	**75,394**	90,159	**71,257**	72,025
Net assets	**83,697**	99,119	**144,146**	144,914
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	**20,250**	20,250	**20,250**	20,250
Share premium	**197,502**	197,502	**197,502**	197,502
Treasury share	**(1,686)**	(1,686)	**(1,686)**	(1,686)
Share option reserve	**554**	594	**554**	594
Foreign exchange translation reserve	**(3,817)**	(4,341)	**-**	-
Accumulated losses	**(129,106)**	(113,200)	**(72,474)**	(71,746)
Total equity	**83,697**	99,119	**144,146**	144,914

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:

Amount repayable in one year or less, or on demand

As at 31/3/2017		As at 31/12/2016	
Secured	Unsecured	Secured	Unsecured
HK$'000	HK$'000	HK$'000	HK$'000
Nil	Nil	Nil	Nil

Amount repayable after one year

As at 31/3/2017		As at 31/12/2016	
Secured	Unsecured	Secured	Unsecured
HK$'000	HK$'000	HK$'000	HK$'000
Nil	Nil	Nil	Nil

Details of any collateral

Not applicable.

1(c) A statement of cash flows for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flows (in HK$'000)

	Group	
	Three Months Ended	
	31/3/2017	31/3/2016
	HK$'000	HK$'000
Cash flows from operating activities		
Loss before income tax	**(15,946)**	(8,113)
Adjustment for:		
Depreciation of plant and equipment	**1,274**	812
Reversal of provision for stock obsolescence	**(359)**	(1,074)
Reversal of impairment loss on trade receivables	**-**	(35)
Interest income	**(7)**	(4)
Operating cash flows before working capital changes	**(15,038)**	(8,414)
Changes in working capital:		
Inventories	**(1,223)**	4,856
Trade and other receivables	**60,944**	24,664
Trade and other payables	**(39,839)**	(24,869)
Cash generated from/(used in) operations	**4,844**	(3,763)
Interest received	**7**	4
Income tax paid	**-**	(587)
Net cash generated from/(used in) operating activities	**4,851**	(4,346)
Cash flows from investing activities		
Purchases of plant and equipment	**(431)**	(1,081)
Net cash used in investing activities	**(431)**	(1,081)
Net increase/(decrease) in cash and cash equivalents	**4,420**	(5,427)
Effect of exchange rate changes on cash and cash equivalent	**231**	439
Cash and cash equivalents at beginning of the period	**50,808**	71,145
Cash and cash equivalents at end of the period	**55,459**	66,157

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENT OF CHANGES IN EQUITY (in HK$'000)

Group – 1Q 2017	Share capital	Share premium	Treasury share	Share options reserve	Translation reserve	Accumulated losses	Total equity
	HK$'000	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**
For the three months ended 31 March 2017							
Balance as at 1 January 2017	20,250	197,502	(1,686)	594	(4,341)	(113,200)	99,119
Loss for the period	-	-	-	-	-	(15,946)	(15,946)
Transfer to accumulated losses upon lapse of share option	-	-	-	(40)	-	40	-
Other comprehensive income for the period	-	-	-	-	524	-	524
Balance at 31 March 2017	**20,250**	**197,502**	**(1,686)**	**554**	**(3,817)**	**(129,106)**	**83,697**
Group – 1Q 2016							
For the three months ended 31 March 2016							
Balance as at 1 January 2016	20,250	197,502	(1,686)	633	(3,302)	(102,919)	110,478
Loss for the period	-	-	-	-	-	(8,113)	(8,113)
Other comprehensive income for the period	-	-	-	-	394	-	394
Balance at 31 March 2016	**20,250**	**197,502**	**(1,686)**	**633**	**(2,908)**	**(111,032)**	**102,759**

Company – 1Q 2017	Share capital	Share premium	Treasury Share	Share option reserve	Accumulated losses	Total equity
	HK$'000	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**
For the three months ended 31 March 2017						
Balance as at 1 January 2017	20,250	197,502	(1,686)	594	(71,746)	144,914
Loss for the period	-	-	-	-	(768)	(768)
Transfer to accumulated losses upon lapse of share option	-	-	-	(40)	40	-
Balance at 31 March 2017	**20,250**	**197,502**	**(1,686)**	**554**	**(72,474)**	**144,146**
Company – 1Q 2016						
For the three months ended 31 March 2016						
Balance as at 1 January 2016	20,250	197,502	(1,686)	633	(60,381)	156,318
Loss for the period	-	-	-	-	(917)	(917)
Balance at 31 March 2016	**20,250**	**197,502**	**(1,686)**	**633**	**(61,298)**	**155,401**

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.
State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Share Capital

Details of change in the Company's share capital since the last reported period are as follows:-

	Group and the Company	
	Number of Ordinary Shares	Share capital and premium (HK$'000)
As at 31 December 2016 and 31 March 2017 (excluding treasury shares)	40,146,193	216,066

The Company has 353,800 treasury shares as at 31 March 2017 (31 December 2016: 353,800 treasury shares).

Share Options

The numbers of shares that may be issued on conversion of all outstanding options under performance share plan are as follows:-

	As at 31/3/2017	As at 31/12/2016
Outstanding options	31,000	35,000

4,000 options were lapsed as an employee left the Company at 24 January 2017.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 31/3/2017	As at 31/12/2016
Total number of issued shares excluding treasury shares	40,146,193	40,146,193

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not Applicable.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's external auditor.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

There are a number of new or revised International Financial Reporting Standards ("IFRSs") and related interpretations promulgated by International Financial Reporting Interpretations Committee ("IFRICs") that are effective for accounting periods beginning on or after 1 January 2017. The adoption of these new IFRSs did not have any material impact on the financial information of the Group for period ended 31 March 2017. Save as aforesaid, the accounting policies and methods of computation used in the preparation of the financial information of the Group for the period ended 31 March 2017 are the same as those used in the annual financial statements of the Group for the year ended 31 December 2016.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group adopted the new or amended IFRSs and IFRICs that are mandatory for application for financial periods beginning on or after 1 January 2017. The adoption of these new/revised IFRSs and IFRICs did not result in substantial changes to the Group's accounting policies nor any significant impact on the consolidated financial statements.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group	
	1Q2017	**1Q2016**
Earnings per ordinary share based on the net profit for the period		
(a) Based on weighted average number of ordinary shares on issue (HK$ cents);	(39.7)	(20.2)
(b) On a fully diluted basis (HK$ cents)	(39.7)	(20.2)
Number of ordinary shares in issue (excluding treasury shares)		
Weighted average number of ordinary shares for the purpose of basic earnings per share	40,146,193	40,146,193
Effective of potentially dilutive ordinary shares – Share options	31,000	39,000
Weighted average number of ordinary shares for the purpose of diluted earnings per share	40,177,193	40,185,193

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	31/3/2017	**31/12/2016**	**31/3/2017**	**31/12/2016**
Net asset value per ordinary share based on issued share capital (HK$)	2.1	2.5	3.6	3.6
Number of ordinary shares in issue excluding treasury shares	40,146,193	40,146,193	40,146,193	40,146,193

Net asset value per ordinary share at the end of the financial periods presented has been computed based on the combined net assets of the Group as at the respective reporting period and the number of ordinary shares at 31 March 2017 of 40,146,193 shares (31 December 2016: 40,146,193 shares).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable)seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Turnover

Turnover decreased by 72.3% or HK$31.5 million from HK$43.6 million in 1Q 2016 to HK$12.1 million in 1Q 2017. The decrease was mainly attributed to our some of our major customers being in overstock position due to weak demand for several products. Additional, some shipments were also put on hold during the period of renegotiating the repayment terms with two major customers.

Gross profit and margin

Gross profit decreased by HK$7.4 million from HK$7.5 million in 1Q 2016 to HK$0.1 million in 1Q 2017 mainly due to the lower sales. The overall gross profit margin decreased by 16.7% from 17.3% in 1Q 2016 to 0.6% in 1Q 2017 as the decrease of factory overhead cannot offset the negative impact of decline in sales.

Selling and distribution expenses

Selling and distribution expenses increased by 21.7% or HK$0.4 million from HK$2.0 million in 1Q 2016 to HK$2.4 million in 1Q 2017 mainly due to reclassification of staff costs of HK$0.8 million from R&D team (G&A expenses) and decrease in transportation costs of HK$0.4 million.

General and administrative expenses

General and administrative expenses remained the same as HK$13.8 million in 1Q 2016 and 1Q 2017. The amount included HK$2.7 million being layoff compensation for Company restructuring in 1Q 2017.

Loss before income tax

Loss before income tax increased by HK$7.8 million from HK$8.1 million in 1Q 2016 to HK$15.9 million in 1Q 2017, mainly due to the decrease in sales.

Financial Position

Inventories increased by HK$1.5 million from HK$17.2 million as at 31 December 2016 to HK$18.7 million as at 31 March 2017 due to some shipments put on hold during the period of renegotiating the repayment terms with two major customers.

Trade receivables decreased by HK$54.5 million from HK$73.4 million as at 31 December 2016 to HK$18.9 million as at 31 March 2017 in line with the lower sales.

Deposits, prepayments and other receivables decreased by HK$6.5 million from HK$10.2 million as at 31 December 2016 to HK$3.7 million as at 31 March 2017 mainly due to decrease of VAT receivable in line with lower purchase of raw materials.

Trade payables decreased by HK$46.0 million from HK$61.3 million as at 31 December 2016 to HK$15.3 million as at 31 March 2017 mainly due to lower material purchases in this quarter.

Deposits received in advance from customers increased by HK$5.3 million from HK$0.3 million as at 31 December 2016 to HK$5.6 million as at 31 March 2017 mainly due to deposits received for new projects from a major customer.

Statement of Cash Flows

Net cash generated from operating activities increased by HK$9.2 million from HK$4.3 million outflow in 1Q 2016 to HK$4.9 million inflow in 1Q 2017, mainly due to reduction of trade receivable as a result of collection and lower sales.

Net cash used in investing activities decreased by HK$0.7 million from HK$1.1 million in 1Q 2016 to HK$0.4 million in 1Q 2017, attributed to reduction in spending on plant and equipment.

As at 31 March 2017, the Group has cash and bank balances of HK$66.0 million (31 December 2016: HK$61.2 million) with no bank borrowings (FY2016: HK$Nil).

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The company has not provided any prospect statement.

10. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group's performance continues to be affected significantly by the competitive environment. In response, we are trying to step up our efforts to improve our customer relationships and products offering. We will do our best to grow vertical audio brands. At the same time, we will expand horizontal business opportunities across future network audio, smart audio, social audio and high definition audio sectors.

We are developing WiFi/Multi-room, high fidelity, voice recognition and voice assistant technological solutions. We will be ready to partner with niche market leader brands to take sales shares advantages.

Plastoform is also exploring strategic OEM projects to serve larger set of complementary consumer electronic customers. We will integrate our abilities with other parties so as to broaden our skills to serve both consumer audio and non-audio markets.

Plastoform management team is actively seeking potential merger and acquisition opportunities to further strengthen our commitment to growth and increased shareholder value.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Nil

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Nil

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared and recommended for the first quarter ended 31 March 2017.

13. Interested Person Transactions ("IPTs")

The Company does not have a Shareholders' Mandate for Interested Person Transactions. There were no interested person transactions with amount exceeding S$100,000 during 1Q 2017.

14. Negative assurance confirmation on interim financial results under Rule 705 (5) of the SGX-ST.

The directors of the Company confirm that to the best of their knowledge, nothing has come to their attention which may render the 1Q 2017 financial results to be false or misleading, in any material aspect.

15. Undertakings Confirmation pursuant to Rule 720(1) of the Listing Manual

The Company hereby confirms that the undertakings as required in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual has been procured from all its Directors and Executive Officers.

BY ORDER OF THE BOARD

Liu Wai Man
Lisa Cheng
Company Secretaries
27 April 2017