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

UNAUDITED RESULTS FOR THE QUARTER ENDED 30 JUNE 2016

The Directors of Plastoform Holdings Limited wish to announce the following unaudited results of the Group for the quarter ended 30 June 2016

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 30 June			Six Months Ended 30 June		
	2016	2015	**%**	**2016**	2015	**%**
	HK$'000	HK$'000	Change	**HK$'000**	HK$'000	Change
Revenue	**36,949**	54,117	(31.7%)	**80,518**	120,736	(33.3%)
Cost of sales	**(34,291)**	(43,992)	(22.1%)	**(70,326)**	(96,871)	(27.4%)
Gross Profit	**2,658**	10,125	(73.7%)	**10,192**	23,865	(57.3%)
Other operating income	**228**	291	(21.6%)	**383**	447	(14.3%)
Selling and distribution expenses	**(2,213)**	(5,385)	(58.9%)	**(4,176)**	(9,615)	(56.6%)
General and administrative expenses	**(13,157)**	(14,342)	(8.3%)	**(26,996)**	(30,300)	(10.9%)
Loss before income tax	**(12,484)**	(9,311)	34.1%	**(20,597)**	(15,603)	32.0%
Income tax expense	**(1)**	(46)	(97.8%)	**(1)**	(349)	(99.7%)
Loss for the period	**(12,485)**	(9,357)	33.4%	**(20,598)**	(15,952)	29.1%
Other comprehensive (loss)/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)	**(1,403)**	281	N/M	**(1,009)**	108	N/M
Net other comprehensive income/ (loss) to be reclassified to profit or loss in subsequent periods	**(1,403)**	281	N/M	**(1,009)**	108	N/M
Total comprehensive loss attributable to owners of the Company	**(13,888)**	(9,076)	53.0%	**(21,607)**	(15,844)	36.4%

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

	Group					
	Three Months Ended 30 June			Six Months Ended 30 June		
	2016	2015	%	**2016**	2015	%
	HK$'000	HK$'000	Change	**HK$'000**	HK$'000	Change
Interest income	**(6)**	(10)	(40.0%)	**(10)**	(16)	(37.5%)
Depreciation of plant and equipment	**851**	1,254	(32.1%)	**1,663**	2,508	(33.7%)
Net exchange gains	**(390)**	(624)	(37.5%)	**(451)**	(1,376)	(67.2%)

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	
	30/6/2016	**31/12/2015**	**30/6/2016**	**31/12/2015**
	HK$'000	**HK$'000**	**HK$'000**	**HK$'000**
ASSETS				
Non-current assets				
Plant and equipment	**8,669**	8,952	-	-
Intangible asset – club memberships	**690**	690	-	-
Investments in subsidiaries	**-**	-	**78,608**	78,608
	9,359	9,642	**78,608**	78,608
Current assets				
Inventories	**18,139**	28,250	**-**	-
Trade receivables	**24,770**	59,479	**-**	-
Deposits, prepayments and other receivables	**8,645**	9,766	**75**	97
Amount due from subsidiaries	**-**	-	**71,317**	74,983
Bank deposit pledged	**11,093**	11,093	**-**	-
Cash and cash equivalents	**59,903**	71,145	**5,962**	6,927
	122,550	179,733	**77,354**	82,007
Total assets	**131,909**	189,375	**155,962**	160,615
Current liabilities				
Trade payables	**29,520**	63,403	**-**	-
Other payables and accruals	**15,480**	14,176	**471**	738
Amount due to subsidiaries	**-**	-	**2,828**	2,828
Amount due to shareholders	**731**	731	**731**	731
Tax payable	**-**	587	**-**	-
	45,731	78,897	**4,030**	4,297
Net current assets	**76,819**	100,836	**73,324**	77,710
Net assets	**86,178**	110,478	**151,932**	156,318
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	**633**	633	**633**	633
Foreign exchange translation reserve	**(4,311)**	(3,302)	**-**	-
Accumulated losses	**(126,210)**	(102,919)	**(64,767)**	(60,381)
Total equity	**86,178**	110,478	**151,932**	156,318

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 30/6/2016		As at 31/12/2015	
Secured	Unsecured	Secured	Unsecured
HK$'000	HK$'000	HK$'000	HK$'000
Nil	Nil	Nil	Nil

Amount repayable after one year

As at 30/6/2016		As at 31/12/2015	
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		Six Months Ended	
	30/6/2016	30/6/2015	**30/6/2016**	30/6/2015
	HK$'000	HK$'000	**HK$'000**	HK$'000
Cash flow from operating activities				
Loss before income tax	**(12,484)**	(9,311)	**(20,597)**	(15,603)
Adjustments for:				
Depreciation of plant and equipment	**851**	1,254	**1,663**	2,508
Provision/(reversal) for slow-moving stock	**542**	-	**(532)**	821
Reversal of impairment loss on trade receivables	**-**	-	**(35)**	-
Interest income	**(6)**	(10)	**(10)**	(16)
Operating cash flows before working capital changes	**(11,097)**	(8,067)	**(19,511)**	(12,290)
Changes in working capital:				
Inventories	**5,787**	12,958	**10,643**	14,523
Trade and other receivables	**11,201**	17,654	**35,865**	66,441
Trade and other payables	**(7,710)**	(25,554)	**(32,579)**	(67,607)
Cash generated from/ (used in) operations	**(1,819)**	(3,009)	**(5,582)**	1,067
Interest received	**6**	10	**10**	16
Income tax paid	**(1)**	-	**(588)**	-
Net cash used in operating activities	**(1,814)**	(2,999)	**(6,160)**	1,083
Cash flows from investing activities				
Purchases of plant and equipment	**(1,191)**	(675)	**(2,272)**	(1,094)
Net cash used in investing activities	**(1,191)**	(675)	**(2,272)**	(1,094)
Cash flows from financing activities				
Dividend paid	**(2,693)**	(2,677)	**(2,693)**	(2,677)
Net cash used in financing activities	**(2,693)**	(2,677)	**(2,693)**	(2,677)
Net decrease in cash and cash equivalents	**(5,698)**	(6,351)	**(11,125)**	(2,688)
Effect of cash and cash equivalent denominated in foreign currencies	**(556)**	(22)	**(117)**	(480)
Cash and cash equivalents at beginning of the period	**66,157**	78,458	**71,145**	75,253
Cash and cash equivalents at end of the period	**59,903**	72,085	**59,903**	72,085

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 – 2Q 2016	Share capital	Share premium	Treasury share	Share option 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 30 June 2016							
Balance as at 1 April 2016	20,250	197,502	(1,686)	633	(2,908)	(111,032)	102,759
Loss for the period	-	-	-	-	-	(12,485)	(12,485)
Other comprehensive income for the period	-	-	-	-	(1,403)	-	(1,403)
Dividend paid	-	-	-	-	-	(2,693)	(2,693)
Balance as at 30 June 2016	**20,250**	**197,502**	**(1,686)**	**633**	**(4,311)**	**(126,210)**	**86,178**
Group – 2Q 2015							
For the three months ended 30 June 2015							
Balance as at 1 April 2015	20,250	197,680	(1,798)	633	332	(95,727)	121,370
Loss for the period	-	-	-	-	-	(9,357)	(9,357)
Other comprehensive income for the period	-	-	-	-	281	-	281
Utilization of treasury shares for shares issued under Performance Share Plan	-	(178)	278	-	-	-	100
Dividend paid	-	-	-	-	-	(2,677)	(2,677)
Balance as at 30 June 2015	**20,250**	**197,502**	**(1,520)**	**633**	**613**	**(107,761)**	**109,717**

Company – 2Q 2016	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 30 June 2016						
Balance as at 1 April 2016	20,250	197,502	(1,686)	633	(61,298)	155,401
Loss for the period	-	-	-	-	(776)	(776)
Dividend paid	-	-	-	-	(2,693)	(2,693)
Balance as at 30 June 2016	**20,250**	**197,502**	**(1,686)**	**633**	**(64,767)**	**151,932**
Company – 2Q 2015						
For the three months ended 30 June 2015						
Balance as at 1 April 2015	20,250	197,680	(1,798)	633	(95,558)	121,207
Loss for the period	-	-	-	-	(2,439)	(2,439)
Utilization of treasury shares for shares issued under Performance Share Plan	-	(178)	278	-	-	100
Dividend paid	-	-	-	-	(2,677)	(2,677)
Balance as at 30 June 2015	**20,250**	**197,502**	**(1,520)**	**633**	**(100,674)**	**116,191**

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 financial period are as follows:-

Date	Type	Group and the Company	
		Number of Ordinary Shares	Shares capital and premium (HK$'000)
As at 31 December 2015 and 30 June 2016 (excluding treasury shares)		40,146,193	216,066

The Company has 353,800 treasury shares as at 30 June 2016 (31 December 2015: 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 30/6/2016	As at 31/12/2015
Outstanding options	39,000	39,000

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 30/6/2016	As at 31/12/2015
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 2016. The adoption of these new IFRSs did not have any material impact on the financial information of the Group for period ended 30 June 2016. 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 30 June 2016 are the same as those used in the annual financial statements of the Group for the year ended 31 December 2015.

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 2016. 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	
	6 months ended 30/6/2016	6 months ended 30/6/2015
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);	(51.3)	(39.6)
(b) On a fully diluted basis (HK$ cents)	(51.3)	(39.6)
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	40,246,193
Effective of potentially dilutive ordinary shares – Share options	39,000	39,000
Weighted average number of ordinary shares for the purpose of diluted earnings per share	40,185,193	40,285,193

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	
	30/6/2016	31/12/2015	30/6/2016	31/12/2015
Net asset value per ordinary shares based on issued share capital (HK$)	2.1	2.8	3.8	3.9
Number of ordinary shares in issuance 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 30 June 2016 of 40,146,193 shares (31 December 2015: 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 31.7% or HK$17.2 million from HK$54.1 million in 2Q 2015 to HK$36.9 million in 2Q 2016. The decrease were mainly due to end of product life for a major product line and a major customer exiting the business. The market for this industry has become very fragmented, resulting in a highly competitive environment.

Gross profit and margin

Gross profit decreased by HK$7.4 million from HK$10.1 million in 2Q 2015 to HK$2.7 million in 2Q 2016. The overall decrease in gross profit margin from 18.7% in 2Q 2015 to 7.2% in 2Q 2016 was due to (i) the increase of provision for slow-moving inventories and (ii) the impact on gross profit margin under a fixed factory overhead business model where the decrease in fixed overhead cost is much less than the decrease in revenue.

Selling and distribution expenses

Selling and distribution expenses decreased by 58.9% or HK$3.2 million from HK$5.4 million in 2Q 2015 to HK$2.2 million in 2Q 2016 were mainly due to decrease in staff cost, marketing expenses and transportation charges.

General and administrative expenses

General and administrative expenses decreased by 8.3% or HK$1.1 million from HK$14.3 million in 2Q 2015 to HK$13.2 million in 2Q 2016 mainly due to the decrease in staff costs and general administrative expenses.

Loss before income tax

Loss before income tax increased by HK$3.2 million from HK$9.3 million in 2Q 2015 to HK$12.5 million in 2Q 2016 mainly due to decrease in sales.

Financial Position

Inventories decreased by HK$10.2 million from HK$28.3 million as at 31 December 2015 to HK$18.1 million as at 30 June 2016 in line with lower sales.

Trade receivables decreased by HK$34.7 million significantly from HK$59.5 million as at 31 December 2015 to HK$24.8 million as at 30 June 2016 mainly in line with lower sales.

Trade payables decreased by HK$33.9 million from HK$63.4 million as at 31 December 2015 to HK$29.5 million as at 30 June 2016 mainly due to lower purchase of raw material in this quarter.

Statement of Cash Flows

Net cash used in operating activities decreased by HK$1.2 million from HK$3.0 million in 2Q 2015 to HK$1.8 million in 2Q 2016 due to improvement of working capital management.

As at 30 June 2016, the Group had cash and cash equivalents of HK$71.0 million (31 December 2015: HK$82.2 million) and had no bank borrowings (FY2015: 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. A commentary at the date of the announcement of the significant trends and competitive 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 by significantly competitive environment. In response, we are trying to step up our efforts to improve our customer relationship and products offering. We will do our best to grow our relationship with tier 1 and at best tier 2 customers, because we do not want to sacrifice our quality by going down market. For this reason, we are very selective as to who we want to do business with. We want to try to be lean and ensure we have a good financial position as we continue to look out for opportunities which make good commercial sense in this challenging market environment.

We are well positioned for WiFi/Multi-room High Fidelity speakers once the market is ready for it. We will partner with branded customers that can complement us as an innovator, differentiator and market leader in niche market segment. We hope to find ways to take market share from our competitors in this industry.

Another market that we will consider is complementary products. We will innovate and design new products that would benefit from having quality audio and non-audio markets.

Our Executive Chairman, Tse Kin Man, has not been well and needs to assume a reduced role. He will remain focused on R&D and product innovation. KF Chiu remains as our CEO and every effort will be made to further strengthen our management team.

The Group will continue to be prudent in managing its operations while maintaining its cautions stance in managing costs and a healthy liquidity position in order to support long-term growth.

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 second quarter ended 30 June 2016.

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 each during 2Q 2016.

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 2Q 2016 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
12 August 2016