

PLASTOFORM HOLDINGS LIMITED

(Incorporated in Bermuda)

(Co. Reg. No: 34171)

UNAUDITED RESULTS FOR THE QUARTER ENDED 31 MARCH 2016

The Directors of Plastoform Holdings Limited wish to announce the following unaudited results of the Group for the quarter ended 31 March 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 31 March		
	2016	2015	%
Revenue	43,569	66,619	(34.6%)
Cost of sales	(36,035)	(52,879)	(31.9%)
Gross profit	7,534	13,740	(45.2%)
Other operating income	155	156	(0.6%)
Selling and distribution expenses	(1,963)	(4,230)	(53.6%)
General and administrative expenses	(13,839)	(15,958)	(13.3%)
Loss before income tax	(8,113)	(6,292)	28.9%
Income tax expense	-	(303)	N/M
Loss for the period	(8,113)	(6,595)	23.0%
Other comprehensive income:			
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax)			
Exchange differences on translation of foreign operations	394	(173)	N/M
Net other comprehensive income/ (loss) to be reclassified to profit or loss in subsequent periods	394	(173)	N/M
Total comprehensive income attributable to owners of the Company	(7,719)	(6,768)	14.1%

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

	Group		
	Three Months Ended 31 March		
	2016	2015	%
	HK\$'000	HK\$'000	Change
Interest income	(4)	(6)	(33.3%)
Depreciation of plant and equipment	812	1,254	(35.2%)
Net exchange gains	(61)	(752)	(91.9%)

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	
	31/3/2016	31/12/2015	31/3/2016	31/12/2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
ASSETS				
Non-current assets				
Plant and equipment	9,176	8,952	-	-
Intangible asset – club memberships	690	690	-	-
Investments in subsidiaries	-	-	78,608	78,608
	9,866	9,642	78,608	78,608
Current assets				
Inventories	24,468	28,250	-	-
Trade receivables	30,634	59,479	-	-
Deposits, prepayments and other receivables	13,982	9,766	204	97
Amount due from subsidiaries	-	-	74,790	74,983
Bank deposit pledged	11,093	11,093	-	-
Cash and cash equivalents	66,157	71,145	5,863	6,927
	146,334	179,733	80,857	82,007
Total assets	156,200	189,375	159,465	160,615
Current liabilities				
Trade payables	39,128	63,403	-	-
Other payables and accruals	13,582	14,176	505	738
Amount due to subsidiaries	-	-	2,828	2,828
Amount due to a shareholder	731	731	731	731
Tax payable	-	587	-	-
	53,441	78,897	4,064	4,297
Net current assets	92,893	100,836	76,793	77,710
Net assets	102,759	110,478	155,401	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	(2,908)	(3,302)	-	-
Accumulated losses	(111,032)	(102,919)	(61,298)	(60,381)
Total equity	102,759	110,478	155,401	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 31/3/2016		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 31/3/2016		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	
	31/3/2016	31/3/2015
	HK\$'000	HK\$'000
Cash flows from operating activities		
Loss before income tax	(8,113)	(6,292)
Adjustment for:		
Depreciation of plant and equipment	812	1,254
(Reversal)/ provision for stock obsolescence	(1,074)	821
Reversal of impairment loss on trade receivables	(35)	-
Interest income	(4)	(6)
Operating cash flows before working capital changes	(8,414)	(4,223)
Changes in working capital:		
Inventories	4,856	1,565
Trade and other receivables	24,664	48,787
Trade and other payables	(24,869)	(42,053)
Interest received	4	6
Income tax paid	(587)	-
Net cash (used in)/ generated from operating activities	(4,346)	4,082
Cash flows from investing activities		
Purchases of plant and equipment	(1,081)	(419)
Net cash used in investing activities	(1,081)	(419)
Net (decrease)/ increase in cash and cash equivalents	(5,427)	3,663
Effect of cash and cash equivalent denominated in foreign currencies	439	(458)
Cash and cash equivalents at beginning of the period	71,145	75,253
Cash and cash equivalents at end of the period	66,157	78,458

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 2016	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 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
Group – 1Q 2015							
For the three months ended 31 March 2015							
Balance as at 1 January 2015	20,250	197,680	(1,798)	633	505	(89,132)	128,138
Loss for the period	-	-	-	-	-	(6,595)	(6,595)
Other comprehensive income for the period	-	-	-	-	(173)	-	(173)
Balance at 31 March 2015	20,250	197,680	(1,798)	633	332	(95,727)	121,370

Company – 1Q 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 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
Company – 1Q 2015						
For the three months ended 31 March 2015						
Balance as at 1 January 2015	20,250	197,680	(1,798)	633	(93,014)	123,751
Loss for the period	-	-	-	-	(2,544)	(2,544)
Balance at 31 March 2015	20,250	197,680	(1,798)	633	(95,558)	121,207

- 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 2015 and 31 March 2016 (excluding treasury shares)	40,146,193	216,066

The Company has 353,800 treasury shares as at 31 March 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 31/3/2016	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 31/3/2016	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 31 March 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 31 March 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	
	1Q2016	1Q2015
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);	(20.2)	(16.4)
(b) On a fully diluted basis (HK\$ cents)	(20.2)	(16.4)
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	40,200,000*
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	40,239,000*

* On 25 May 2015, the Company consolidated 50 ordinary shares into 1 ordinary share in the capital of the Company and the weighted average number of ordinary shares used for the calculation of earnings per share as at 31 March 2015 had been adjusted for the effect of the share consolidation.

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	
	31/3/2016	31/12/2015	31/3/2016	31/12/2015
Net asset value per ordinary share based on issued share capital (HK\$)	2.6	2.8	3.9	3.9
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 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 34.6% or HK\$23.0 million from HK\$66.6 million in 1Q 2015 to HK\$43.6 million in 1Q 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\$6.2 million from HK\$13.7 million in 1Q 2015 to HK\$7.5 million in 1Q 2016 due to the decrease in sales. The overall gross profit margin decreased by 3.3% from 20.6% in 1Q 2015 to 17.3% in 1Q 2016 as the decrease of factory overheads cannot fully offset the negative impact of the sales drop.

Selling and distribution expenses

Selling and distribution expenses decreased by 53.6% or HK\$2.2 million from HK\$4.2 million in 1Q 2015 to HK\$2.0 million in 1Q 2016 mainly due to decrease in staff cost, and in particular, marketing expenses and transportation charges.

General and administrative expenses

General and administrative expenses decreased by 13.3% or HK\$2.2 million from HK\$16.0 million in 1Q 2015 to HK\$13.8 million in 1Q 2016 mainly due to the decrease in staff costs, general administrative expenses and exchange gain.

Loss before income tax

Loss before income tax increased by HK\$1.8 million from HK\$6.3 million in 1Q 2015 to HK\$8.1 million in 1Q 2016, mainly due to the decrease in sales.

Financial Position

Inventories decreased by HK\$3.8 million from HK\$28.3 million as at 31 December 2015 to HK\$24.5 million as at 31 March 2016 due to lower sales and better inventory management.

Trade receivables decreased by HK\$28.9 million from HK\$59.5 million as at 31 December 2015 to HK\$30.6 million as at 31 March 2016 in line with lower sales.

Deposits, prepayments and other receivables increased by HK\$4.2 million from HK\$9.8 million at 31 December 2015 to HK\$14.0 million at 31 March 2016 mainly due to the delay in refund of VAT receivable from local tax authority. It has since been refunded in April 2016.

Trade payables decreased by HK\$24.3 million from HK\$63.4 million at 31 December 2015 to HK\$39.1 million at 31 March 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\$8.4 million from HK\$4.1 million inflow in 1Q 2015 to HK\$4.3 million outflow in 1Q 2016, due to the increase of operating loss and reduced contribution of cash flow from working capital management.

Net cash used in investing activities increased by HK\$0.7 million from HK\$0.4 million in 1Q 2015 to HK\$1.1 million in 1Q 2016 mainly due to purchase of injection moulding machine.

As at 31 March 2016, the Group has cash and bank balances of HK\$77.3 million (31 December 2015: HK\$82.2 million) with no bank borrowings (FY2015: 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 overall market for wireless audio is still growing but has become extremely competitive and overcrowded. We are trying to stay on with the tier 1 and at best the tier 2 customers, because we do not want to sacrifice our quality and go 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 profitability sense in this difficult 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 components.

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 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 during 1Q 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 1Q 2016 financial results to be false or misleading, in any material aspect.

BY ORDER OF THE BOARD

Liu Wai Man
Lisa Cheng
Company Secretaries
28 April 2016