APPENDIX DATED 10 April 2017

This Appendix is circulated to the Shareholders of Plastoform Holdings Limited (the "Company") together with the Company's Annual Report 2016. The purpose of this Appendix is to explain to Shareholders the rationale and provide information relating to the proposed renewal of the Share Buy-Back Mandate (as defined in this Appendix) to be tabled at the Annual General Meeting ("2017 AGM") of the Company to be held at Katong Room, Level 3, Grand Mercure Singapore Roxy, 50 East Coast Road, Roxy Square, Singapore 428769 on Thursday, 27 April 2017 at 10:30 am.

The Notice of the 2017 AGM and a Proxy Form are enclosed with the Annual Report 2016.

If you are in doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your issued and paid-up ordinary shares in the share capital of the Company, you should forward this Appendix, the Annual Report 2016 and the Proxy Form immediately to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Appendix.



PLASTOFORM HOLDINGS LIMITED

(Company Registration Number: 34171)
(Incorporated in Bermuda)

APPENDIX TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

PLASTOFORM HOLDINGS LIMITED

(Company Registration No.: 34171)
(Incorporated in Bermuda)

Directors		**Registered Office**
Tse Kin Man	(Executive Chairman)	Clarendon House
Chiu Kwong Fai	(Chief Executive Officer and Executive Director)	2 Church Street
Tan Tien Hin, Winston	(Non-Executive Director)	Hamilton HM 11
Khor Peng Soon	(Lead Independent Director)	Bermuda
Fong Hean Chuan	(Independent Director)	

10 April 2017

To: The Shareholders of Plastoform Holdings Limited

Dear Sir/Madam,

1. INTRODUCTION

We refer to the Notice of the 2017 AGM issued by the Company dated 10 April 2017 ("the Notice of the 2017 AGM").

Item 10 of the Notice of the 2017 AGM is an Ordinary Resolution ("Resolution 10") to be proposed at the 2017 AGM for the renewal of the Company's Share Buy-Back Mandate which will empower the Directors to make purchases or otherwise acquire Shares from time to time subject to certain restrictions set out in the Listing Manual.

At the AGM of the Company held on 28 April 2016, the Company obtained Shareholders' approval for the Renewal of the Share Buy-Back Mandate which is to continue in force until the date of the Company's next AGM (the "2016 Share Buy-Back Mandate"). The authority conferred on the Directors pursuant to the 2016 Share Buy-Back Mandate will expire on the date of the 2017 AGM.

2. THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

The Directors propose to seek the approval of Shareholders for the renewal of the Share Buy-back Mandate.

2.1 Renewal of Share Buy-back Mandate

The general mandate authorizing the buy-back of its own shares ("the Shares") by the Company representing up to 10 per cent (10%) of the total number of issued shares (excluding treasury shares) in the share capital of the Company ("the Maximum Limit") ascertained as at the date of the passing of this Ordinary Resolution shall, unless revoked or varied by the Company in general meeting, continue in force until the date of the next annual general meeting of the Company is held or, is required by law to be held, whichever is the earlier.

2.2 Rationale

The Share Buy-back Mandate would give the Company the flexibility to undertake buy-backs of the Shares at any time, subject to market conditions, during the period when the Share Buy-back Mandate is in force. Further, amongst others, share buy-backs provide the Company with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements in an expedient and cost-efficient manner. The Directors also expect that share buy-backs may also help mitigate against the short term volatility of the share price and offset the effects of short term speculation. Share buy-backs will allow the Directors greater flexibility over the Company's share capital structure with a view to enhancing the earnings and/or net asset value per Share.

Shareholders can be assured that share buy-backs by the Company would be made in circumstances where it is considered to be in the best interests of the Company, after taking into account the amount of surplus cash available and the prevailing market conditions. Further, the Directors do not propose to carry out share buy-backs to such an extent that would, or in circumstances that might, result in a material adverse effect on the financial condition of the Company, the liquidity, the orderly trading of the Shares, the working capital requirements of the Company or its gearing positions which are, in the opinion of the Directors, appropriate from time to time, or result in the Company being de-listed from the Official List of The Singapore Exchange Securities Trading Limited ("SGX-ST"). For example, the Directors will ensure that the share buy-backs will not be carried out to such an extent that the free float of the Shares held by the public falls to below ten per cent (10%).

2.3 Authority and Limits on the Share Buy-back Mandate

The authority and limitations under the proposed Share Buy-back Mandate, if approved at the forthcoming 2017 AGM, are summarised below:-

2.3.1 Maximum Number of Shares

The total number of Shares which may be purchased or acquired by the Company pursuant to the proposed Share Buy-back Mandate is limited to that number of Shares representing not more than 10% of the total number of issued shares in the share capital of the Company as at the date of the forthcoming 2017 AGM at which the Share Buy-back Mandate is approved. For purposes of calculating the percentage of issued Shares, any Shares which are held by the Company as treasury shares will be disregarded for the purposes of computing the 10% limit.

For illustrative purposes only, based on the existing issued and paid-up share capital of the Company as at 16 March 2017 ("Latest Practicable Date") comprising 40,146,193 Shares (excluding 353,800 treasury shares), and assuming that no further Shares are issued or buy-back shares on or prior to the 2017 AGM, not more than 4,014,619 Shares (representing 10% of the issued share capital of the Company (excluding 353,800 treasury shares) as at the date) may be bought by the Company pursuant to the proposed Share Buy-back Mandate.

2.3.2 Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the Approval Date, up to the earlier of:-

(a) the date on which the next annual general meeting is held or required by law to be held;

(b) the date on which the share buy-backs are carried out to the full extent mandated; or

(c) the date on which the authority contained in the Share Buy-back Mandate is varied or revoked by Shareholders in general meeting.

2.3.3 Manner of Share Buy-backs

Purchases of Shares may be made on the SGX-ST ("Market Purchases") and/or otherwise than on the SGX-ST, in accordance with an equal access scheme ("Off-Market Purchases").

Market Purchases refer to purchases of Shares by the Company transacted through the SGX-ST's CLOB trading system through one or more duly licensed stockbrokers appointed by the Company for the purpose.

Off-Market Purchases refer to purchase of Shares by the Company made under an equal access scheme or schemes for the purchase of Shares from Shareholders. The Directors may impose such terms and conditions, which are consistent with the proposed Share Buy-back Mandate, the Listing Manual, the Companies Act of Bermuda and the Companies Act,

Cap. 50, of Singapore ("Companies Act of Singapore"), as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme or schemes. Under the Companies Act of Singapore, an equal access scheme must satisfy all the following conditions:-

(a) offers for the purchase or acquisition of issued Shares shall be made to every person who holds issued Shares to purchase or acquire the same percentage of their issued Shares;

(b) all of those persons shall be given a reasonable opportunity to accept the offers made; and

(c) the terms of all the offers are the same, except that there shall be disregarded:-

(1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;

(2) (if applicable) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and

(3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, pursuant to the Listing Manual, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders which must contain at least the following information:-

(a) the terms and conditions of the offer;

(b) the period and procedures for acceptances;

(c) the reasons for the proposed share buy-back;

(d) the consequences, if any, of share buy-backs by the Company that will arise under The Singapore Code on Take-overs and Mergers ("the Take-over Code") or other applicable take-over rules;

(e) whether the share buy-backs, if made, would have any effect on the listing of the Shares on the SGX-ST;

(f) details of any share buy-backs made by the Company in the previous 12 months whether Market Purchases or Off-Market Purchases, giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchase, where relevant, and the total consideration paid for the purchases; and

(g) whether the shares purchased by the Company will be cancelled or kept as treasury shares.

2.3.4 Maximum Purchase Price

The purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) per Share to be paid for the Shares will be determined by the Directors. However, the purchase price must not exceed:-

(a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter);

(b) in the case of an Off-Market Purchase, 20% above the highest price transacted for a Share as recorded on the market day on which there were trades in the Shares immediately preceding the Latest Practicable Date,

in either case, excluding related expenses of the purchase or acquisition.

For the above purposes, "Average Closing Price" means (a) the average of the closing market prices of a Share over the last five Market Days, on which transactions in the Shares were recorded, preceding the date of the Market Purchase; and (b) deemed to be adjusted for any corporate action that occurs after the relevant five-day period.

2.3.5 Status of Purchased Share

It is proposed that the Purchased Shares will be held as treasury shares by the Company which will allow for the Purchased Shares to be held in the Company's name. The Company will not be able to exercise any rights in respect of the Purchased Shares, including any right to attend and vote at meetings and any purported exercise of such a right would be void.

Further, no dividend will be paid on the Purchased Shares and no other distribution (whether cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) shall be made to the Company in respect of the Purchased Shares.

2.3.6 Source of Fund

Under the Companies Act of Bermuda, a purchase of shares may only be funded out of the capital paid up on the shares to be purchased, or out of the funds of the Company which would otherwise be available for dividend or distribution, or out of the proceeds of a fresh issue of shares made for the purpose of the purchase, and the premium payable on the purchase (i.e. the amount paid in excess of the nominal value of the shares to be purchased) must be provided for out of the funds of the Company which would otherwise be available for dividend or distribution, or out of the Company's share premium account before the shares are purchased. No purchase by a Company of its own shares may be effected if, on the date on which the purchase is to be effected, there are reasonable grounds for believing that the Company is, or after the purchase would be, unable to pay its liabilities as they become due.

The Company will use internal resources and/or external borrowings to finance buy-backs of its Shares. It is not possible for the Company to realistically calculate or quantify the impact of purchases that may be made pursuant to the Share Buy-back Mandate on the net asset value and EPS as the resultant effect would depend on factors such as the aggregate number of Shares purchased, the purchase prices paid at the relevant time, and the amount (if any) borrowed by the Company to fund the purchases.

2.3.7 Financial Effects

The Company's total issued share capital will be diminished by the total nominal amount (or par value) of the Shares purchased by the Company. The NTA of the Company and the Group will be reduced by the aggregate purchase price paid by the Company for the Shares. The purchase price paid by the Company for the Shares (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

The financial effects on the Company and the Group, based on the audited financial statements of the Company and the Group for the financial year ended 31 December 2016 are based on the assumptions set out below.

Based on the issued and paid-up ordinary share capital of the Company (excluding treasury shares) as at the Latest Practicable Date and assuming no further Shares are issued or buy-back shares on or prior to the 2017 AGM, the purchase by the Company of up to the maximum limit of 10% of its issued Shares will result in the purchase or acquisition of 4,014,619 Shares.

For illustrative purposes only, in the case of a Market Purchase by the Company and assuming that the Company purchases or acquires 4,014,619 Shares at the maximum purchase price of S$0.19 for one Share (being the price equivalent to 105% of the Average Closing Price), the maximum amount of funds required for the purchase or acquisition of 4,014,619 Shares is S$0.76 million or equivalent to approximately HK$4.22 million (at an exchange rate of S$1: HK$5.5282).

For illustrative purposes only, in the case of an Off-Market Purchase by the Company and assuming that the Company purchases or acquires 4,014,619 Shares at the maximum purchase price of S$0.22 for one Share (being the price equivalent to 20% above the highest price transacted for a Share as recorded on the market day on which there were trades in the Shares immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 4,014,619 Shares is S$0.88 million or equivalent to approximately HK$4.88 million (at an exchange rate of S$1 : HK$5.5282).

For illustrative purposes only, and based on the above assumptions, the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buy-back Mandate on the audited accounts of the Group and the Company for the financial year ended 31 December 2016 as if the Share Buy-back Mandate had been effective on 31 December 2016 are presented on the following:-

Market Purchases

	Group			Company		
	Before Share buy-back HK$'000	**Market Purchase HK$'000**	**After Share buy-back HK$'000**	**Before Share buy-back HK$'000**	**Market Purchase HK$'000**	**After Share buy-back HK$'000**
audited as at 31/12/2016						
Shareholders' funds	99,119	(4,217)	94,902	144,914	(4,217)	140,697
Net tangible assets (NTA)	99,119	(4,217)	94,902	144,914	(4,217)	140,697
Current assets	161,950	(4,217)	157,733	75,981	(4,217)	71,764
Current liabilities	71,791	–	71,791	3,956	–	3,956
Working capital	90,159	(4,217)	85,942	72,025	(4,217)	67,808
Total borrowings	–	–	–	–	–	–
Number of Shares ('000)	40,500	(4,050)	36,450	40,500	(4,050)	36,450
Number of Treasury Shares ('000)	(354)	35	(319)	(354)	35	(319)
Financial Ratios						
NTA per Share (cents)	246.90	–	262.66	360.97	–	389.41
EPS (cents)	(19.00)	–	(21.11)	(21.70)	–	(24.11)
Gearing (times)	–	–	–	–	–	–
Current ratio (times)	2.26	–	2.20	19.21	–	18.14

Notes:-

(1) Net tangible assets equal Shareholders' funds less intangible assets.

(2) EPS equals profit/(loss) for the year divided by number of ordinary shares (excluding treasury shares).

(3) Gearing equals total borrowings divided by Shareholders' funds.

(4) Current ratio equals current assets divided by current liabilities.

As at 31 December 2016, the Group had cash and cash equivalent balances of approximately S$11.07 million (or HK$61.20 million). In order to effect a Market Purchase of up to 4,014,619 Shares at the maximum purchase price computed at the Latest Practicable Date, cash reserves of S$0.76 million (or HK$4.22 million) will be required.

For the purposes of this illustration, it is assumed that the Company withdraws S$0.76 million from USD saving accounts to settle purchases of its Shares. The Company may, however, when making Shares purchases pursuant to the Share Buy-back Mandate, use internal resources and/or external borrowings to finance the purchases.

As illustrated above, the purchase of Shares will have the effect of reducing the working capital of the Group and the Company and the effect of increasing the NTA of the Group and the Company. The consolidated NTA per Share of the Group as at 31 December 2016 will increase from 246.90 cents to 262.66 cents. The Group's current assets will decrease from approximately HK$161.95 million to HK$157.73 million after the purchase.

Assuming that the Market Purchases had taken place on 31 December 2016, the consolidated basic EPS of the Group for financial year ended 2016 would increase from a loss of 19.00 cents per Share to 21.11 cents per Share as a result of the reduction in number of issued Shares.

Off-Market Purchases

	Group			Company		
	Before Share buy-back HK$'000	**Market Purchase HK$'000**	**After Share buy-back HK$'000**	**Before Share buy-back HK$'000**	**Market Purchase HK$'000**	**After Share buy-back HK$'000**
audited as at 31/12/2016						
Shareholders' funds	99,119	(4,883)	94,236	144,914	(4,883)	140,031
Net tangible assets (NTA)	99,119	(4,883)	94,236	144,914	(4,883)	140,031
Current assets	161,950	(4,883)	157,067	75,981	(4,883)	71,098
Current liabilities	71,791	–	71,791	3,956	–	3,956
Working capital	90,159	(4,883)	85,276	72,025	(4,883)	67,142
Total borrowings	–	–	–	–	–	–
Number of Shares ('000)	40,500	(4,050)	36,450	40,500	(4,050)	36,450
Number of Treasury Shares ('000)	(354)	35	(319)	(354)	35	(319)
Financial Ratios						
NTA per Share (cents)	246.90	–	260.82	360.97	–	387.56
EPS (cents)	(19.00)	–	(21.11)	(21.70)	–	(24.11)
Gearing (times)	–	–	–	–	–	–
Current ratio (times)	2.26	–	2.19	19.21	–	17.97

Notes:-

(1) Net tangible assets equal Shareholders' funds less intangible assets.

(2) EPS equals profit/(loss) for the year divided by number of ordinary shares (excluding treasury shares).

(3) Gearing equals total borrowings divided by Shareholders' funds.

(4) Current ratio equals current assets divided by current liabilities.

As at 31 December 2016, the Group had cash and cash equivalent balances of approximately S$11.07 million (or HK$61.20 million). In order to effect an Off-Market Purchase of up to 4,014,619 Shares at the maximum purchase price computed at the Latest Practicable Date, cash reserves of S$0.88 million (or HK$4.88 million) will be required.

For the purposes of this illustration, it is assumed that the Company withdraws S$0.88 million from USD saving accounts to settle purchases of its Shares. The Company may, however, when making Shares purchases pursuant to the Share Buy-back Mandate, use internal resources and/or external borrowings to finance the purchases.

As illustrated above, the purchase of Shares will have the effect of reducing the working capital of the Group and the Company and the effect of increasing NTA of the Group and the Company. The consolidated NTA per Share of the Group as at 31 December 2016 will increase from 246.90 cents to 260.82 cents. The Group's current assets will decrease from approximately HK$161.95 million to HK$157.07 million after the purchase.

Assuming that the Off-Market Purchases had taken place on 31 December 2016, the consolidated basic EPS of the Group for financial year ended 2016 would increase from a loss of 19.00 cents per Share to 21.11 cents per Share as a result of the reduction in number of issued Shares.

2.4 Listing Rules

The Listing Manual requires the Company to report all purchases or acquisitions of its Shares to the SGX-ST not later than 9.00 a.m.:-

(i) in the case of a Market Purchase, on the market day following the day of purchase or acquisition of any of its Shares; and

(ii) in the case of an Off-Market Purchase under an equal access scheme, on the second market day after the close of acceptances of the offer. Such announcement currently requires the inclusion of details of the total number of shares purchased, the purchase price per share or the highest and lowest prices paid for such shares, as applicable.

Under Listing Rule 1207(19), the Company would not be able to deal in its own securities during the period commencing two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year, or one month before its full year, and ending on the date of the announcement of the relevant results.

As the Company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase of Shares pursuant to the Share Buy-back Mandate at any time after any matter or development of a price sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such price-sensitive information has been publicly announced.

2.5 Listing Status

The Company is required under rule 723 of the Listing Manual to ensure that at least 10% of its equity securities (excluding preference shares and convertible equity securities) in a class that is listed is at all times held by the public. The "public", as defined in the Listing Manual, are persons other than the Directors, chief executive officer, substantial Shareholders or controlling Shareholders of the Company and its subsidiaries, as well as the associates (as defined in the Listing Manual) of such persons.

As at the Latest Practicable Date, there are 13,406,695 Shares in the hands of the public (as defined above), representing approximately 33.39% of the issued share capital of the Company. Accordingly, the Company is of the view that there is a sufficient number of Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares through Market Purchases up to the full 10% limit pursuant to the Share Buy-back Mandate without adversely affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to adversely affect orderly trading. Assuming that the Directors of the Company exercised in full of the 10% limit, the number of share in the hands of the public will reduce to 9,392,076 representing approximately 23.39% of the issued share capital of the Company.

2.6 Implications under The Singapore Code on Take-overs and Mergers (the "Take-over Code")

Pursuant to Appendix 2 of the Take-over Code, when a company buys back its shares, any resulting increase in the percentage of voting rights held by a shareholder and persons acting in concert with him will be treated as an acquisition for the purposes of rule 14 of the Take-over Code. Accordingly, if, as a result of any purchase or acquisition by the Company of its Shares, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of the Take-over Code. If such increase results in a change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a take-over offer for the Company under rule 14 of the Take-over Code.

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal) co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company. Unless the contrary is established, the following persons, inter alia, will be presumed to be acting in concert:-

(a) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts); and

(b) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies, and companies of which such companies are associated companies, all with each other.

The circumstances under which Shareholders (including Directors) and persons acting in concert with them respectively will incur an obligation to make a take-over under rule 14 after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

Under Appendix 2 of the Take-over Code, unless exempted (or if exempted, if such exemption is subsequently revoked), the Directors and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights in the Company of such Directors and their concert parties:-

(a) increase to 30% or more; or

(b) if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties increase by more than 1% in any period of six months.

As at Latest Practicable Date, Konkin Limited held 11,895,750 shares, representing 29.63% of the issued share capital of the Company. Two of our Directors, namely Mr Tse Kin Man and Mr Chiu Kwong Fai are Directors and Substantial Shareholders of the Company and they are both deemed interested in the shares held by substantial shareholder, Konkin Limited, by virtue of their 50% interests each in Konkin Limited. Mr Tse Kin Man, Mr Chiu Kwong Fai and Konkin Limited are presumed to be parties acting in concert under the Take-over Code.

Their aggregate shareholdings in the Company as at the Latest Practicable Date and in the event of Share Buy-Backs up to the maximum of 10% of the issued share capital of the Company as permitted by the Mandate are as follows:

Directors/Substantial Shareholders	Shareholdings as at the Latest Practicable Date		Shareholdings after maximum Share Buy-Backs permitted under the Mandate	
	Number of Shares	Percentages of issued share capital of the Company (%)	Number of Shares	Percentages of issued share capital of the Company (%)
Tse Kin Man	3,000,000	7.47	3,000,000	8.30
Chiu Kwong Fai	3,000,000	7.47	3,000,000	8.30
Konkin Limited	11,895,750	29.63	11,895,750	32.92
Total	17,895,750	44.57	17,895,750	49.52

Based on the shareholdings of Mr Tse Kin Man, Mr Chiu Kwong Fai and Konkin Limited (the "Konkin Concert Parties") at the Latest Practicable Date, they are taken to have an interest in a total of 17,895,750 shares, representing approximately 44.57% of the issued share capital of the Company (excluding treasury shares). In the event that the Directors exercise the power to purchase 4,014,619 shares under the Share Buy-Back Mandate in any 6-month period, then (if the present shareholdings remain the same) the attributable shareholding of the Konkin Concert Parties would be increased to approximately 49.52% of the issued share capital of the Company (excluding treasury shares). Such increase may give rise to an obligation to make a mandatory offer under Rule 14 of the Take-over Code.

Other than as disclosed above, the Directors are not aware of any Shareholder or group of Shareholders acting in concert who may become obligated to make a mandatory offer in the event the Directors exercise the power to buy-back Shares pursuant to the Mandate.

Exemption under Appendix 2 of the Take-over Code

Pursuant to Section 3(a) of Appendix 2 of the Take-over Code, the Konkin Concert Parties will be exempted from the requirement to make a general offer for the Company under Rule 14.1 of the Take-over Code due to an increase in the aggregate percentage of total voting rights in the Company held by the Konkin Concert Parties by more than 1% in any six-month period as a result of the Company buying back its Shares under the Share Buy-Back Mandate, subject to the following conditions:-

i. the circular to Shareholders on the resolution to authorise the Share Buy-Back Mandate (the "Share Buy-Back Resolution") to contain advice to the effect that by voting for the Share Buy-Back Resolution, Shareholders are waiving their right to a general offer at the required price from the Konkin Concert Parties who, as a result of the Company buying back its shares, would increase their voting rights to 30% or more, or, if they together hold between 30% and 50% of the Company's voting rights, would increase their voting rights by more than 1% in any period of 6 months;

ii. the Share Buy-Back Resolution to be approved by a majority of those Shareholders present and voting at the meeting on a poll who could not become obliged to make an offer as a result of the share buy-back;

iii. the Konkin Concert Parties to abstain from voting for and/or recommending Shareholders to vote in favour of the Share Buy-Back Resolution;

iv. within 7 days after the passing of the Share Buy-Back Resolution, each of the Directors to submit to the Securities Industry Council of Singapore ("SIC") a duly signed form as prescribed by the SIC;

v. the Konkin Concert Parties, together holding between 30% and 50% of the Company's voting rights, not to have acquired and not to acquire any Shares between the date on which they know that the announcement of the share buy-back proposal is imminent and the earlier of:-

(a) the date on which the authority of the Share Buy-Back Mandate expires; and

(b) the date on which the Company announces it has bought back such number of Shares as authorised by Shareholders at the latest general meeting or it has decided to cease buying back its Shares, as the case may be,

if such acquisitions, taken together with the buy-back, would cause their aggregate voting rights to increase by more than 1% in the preceding 6 months.

It follows that where aggregate voting rights held by a director and persons acting in concert with him increase by more than 1% solely as a result of the share purchase and none of them has acquired any shares during the relevant period defined above, then such director and/or persons acting in concert with him would be eligible for SIC's exemption from the requirement to make a general offer under Rule 14, or where such exemption had been granted, would continue to enjoy the exemption.

Shareholders should note that by voting in favour of the Share Buy-back Mandate, they are waiving their rights to a take-over offer at the required price from the Konkin Concert Parties and persons acting in concert with them in the circumstances set out above.

None of the Directors nor, to the best of their knowledge having made all reasonable inquiries, any of their associates currently intends to sell any Shares to the Company or its subsidiaries.

Shareholders who are in any doubt as to whether they would incur any obligations to make a take-over offer as a result of any purchase of Shares by the Company pursuant to the proposed Share Buy-back Mandate are advised to consult their professional advisers and/or The Securities Industry Council before they acquire any Shares in the Company during the period when the proposed Share Buy-back Mandate is in force.

2.7 Tax Implications

Shareholders who are in doubt as to their respective tax positions or any tax implications, or who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional advisers.

2.8 Share Buy-backs in the Previous 12 Months

The Company has not purchased any Shares in the last 12 months up to the Latest Practicable Date.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' interests

The shareholding interests of the Directors and substantial shareholders as recorded in the Company's Register of Directors' Shareholdings and Register of substantial shareholders (based on notifications received from the respective Directors and substantial shareholders) as at the Latest Practicable Date is as follows:-

	Direct interest		Deemed interest	
	Number of Shares	Percentage of issued share capital of the Company %[1]	Number of Shares	Percentage of issued share capital of the Company %[1]
Name of Director				
Tse Kin Man[2]	3,000,000	7.47	11,895,750	29.63
Chiu Kwong Fai[2]	3,000,000	7.47	11,895,750	29.63
Tan Tien Hin, Winston[3]	–	–	4,300,000	10.71
Khor Peng Soon	31,000	0.08	–	–
Fong Hean Chuan	45,000	0.11	–	–
Name of Substantial Shareholder (other than Director)				
Konkin Limited	11,895,750	29.63	–	–
Winmark Investment Pte. Ltd. [4]	1,000	0.00	4,299,000	10.71
Amy Lim Sioh Tin[3]	–	–	4,300,000	10.71
Ang Kong Hua[5]	2,457,748	6.12	2,010,000	5.01

[Notes:-

(1) Based on the total 40,146,193 issued Shares (excluding 353,800 treasury shares) as at the Latest Practicable Date.

(2) The shareholders of Konkin Limited are Tse Kin Man (50%) and Chiu Kwong Fai (50%). Tse Kin Man and Chiu Kwong Fai are deemed to be interested in all the Shares held by Konkin Limited.

(3) The shareholders of Winmark Investment Pte. Ltd. are Tan Tien Hin, Winston (50%) and Amy Lim Sioh Tin (50%). Tan Tien Hin, Winston and Amy Lim Sioh Tin are deemed to be interested in all the Shares held by Winmark Investment Pte. Ltd.

(4) Winmark Investment Ptd Ltd is deemed interested in 4,299,000 Shares held by HL Bank Nominees (S) Pte Ltd.

(5) Ang Kong Hua is deemed interested in 2,010,000 Shares held by Raffles Nominees (Pte) Ltd.

4. DIRECTORS' RECOMMENDATION

The Directors (other than Tse Kin Man and Chiu Kwong Fai who are comprised in the Konkin Concert Parties) are of the opinion that the proposed renewal of the Share Buy-back Mandate is in the best interest of the Company and accordingly recommend that Shareholders vote in favour of Ordinary Resolution 10 relating to the renewal of the Share Buy-back Mandate to be proposed at the forthcoming AGM.

5. ACTIONS TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the 2017 AGM and who wish to appoint a proxy to attend and vote at the 2017 AGM on their behalf, may complete, sign and return the Proxy Form attached to this Appendix in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the office of the Share Transfer Agent of the Company at 8 Robinson Road #03-00, ASO Building, Singapore 048544 not less than 48 hours before the time fixed for the 2017 AGM. The completion and return of the Proxy Form by a Shareholder does not preclude him from attending and voting in person at the 2017 AGM if he so wishes.

A Depositor shall not be regarded as a Shareholder entitled to attend the 2017 AGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register as certified by CDP not less than 48 hours before the time fixed for the 2017 AGM.

6. ABSTINENCE FROM VOTING

The Konkin Concert Parties will abstain from voting in respect of the Ordinary Resolution 10 relating to the renewal of the Share Buy-back Mandate to be proposed at the forthcoming AGM.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information and opinions given in this Appendix and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the subject matters of this Appendix, and the Company, and its subsidiaries and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the office of the Company's Company Secretary, TMF Singapore H Pte. Ltd. located at 38 Beach Road, #29-11 South Beach Tower, Singapore 189767 during normal business hours from the date of this Letter up to and including the date of the 2017 AGM:

(a) The Bye-laws of the Company; and

(b) The Annual Report for FY2016.

Yours faithfully
For and on behalf of the Board of Directors
PLASTOFORM HOLDINGS LIMITED

Tse Kin Man
Executive Chairman