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

UNAUDITED RESULTS FOR FULL YEAR ENDED 31 DECEMBER 2017

The Directors of Plastoform Holdings Limited wish to announce the following unaudited results of the Group for full year ended 31 December 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 December			Year Ended 31 December		
	2017	2016	**%**	**2017**	2016	**%**
	HK$'000	HK$'000	Change	**HK$'000**	HK$'000	Change
Revenue	**52,397**	91,492	(42.7%)	**110,102**	248,131	(55.6%)
Cost of sales	**(44,086)**	(68,871)	(36.0%)	**(97,154)**	(196,425)	(50.5%)
Gross Profit	**8,311**	22,621	(63.3%)	**12,948**	51,706	(75.0%)
Other operating income	**1,666**	812	N/M	**2,117**	1,890	12.0%
Selling and distribution expenses	**(2,101)**	(3,601)	(41.7%)	**(8,949)**	(11,454)	(21.9%)
General and administrative expenses	**(10,906)**	(10,678)	2.1%	**(46,684)**	(49,768)	(6.2%)
Finance cost	**(26)**	-	N/M	**(59)**	-	N/M
Profit/ (loss) before income tax	**(3,056)**	9,154	N/M	**(40,627)**	(7,626)	N/M
Income tax expense	**-**	-	N/M	**(12)**	(1)	N/M
Profit/ (loss) for the period	**(3,056)**	9,154	N/M	**(40,639)**	(7,627)	N/M
Other comprehensive income/(loss) 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)	**627**	(1,120)	N/M	**2,624**	(2,526)	N/M
Net other comprehensive income/ (loss) to be reclassified to profit or loss in subsequent periods	**627**	(1,120)	N/M	**2,624**	(2,526)	N/M
Total comprehensive profit/(loss) attributable to owners of the Company	**(2,429)**	8,034	N/M	**(38,015)**	(10,153)	N/M

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

	Group					
	Three Months Ended 31 December			Year Ended 31 December		
	2017	2016	%	**2017**	2016	%
	HK$'000	HK$'000	Change	**HK$'000**	HK$'000	Change
Interest income	**(230)**	(5)	N/M	**(244)**	(19)	N/M
Depreciation of plant and equipment	**1,396**	2,883	(51.6%)	**4,912**	6,012	(18.3%)
Impairment loss on trade receivables	**-**	-	N/M	**-**	(35)	N/M
Net exchange gain	**(363)**	(1,627)	(77.7%)	**(419)**	(2,376)	(82.4%)

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	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
	HK$'000	**HK$'000**	**HK$'000**	**HK$'000**
ASSETS				
Non-current assets				
Plant and equipment	**10,655**	8,270	**-**	-
Intangible asset – club memberships	**460**	690	**-**	-
Investments in subsidiaries	**-**	-	**4,751**	72,889
	11,115	8,960	**4,751**	72,889
Current assets				
Inventories	**18,343**	17,155	**-**	-
Trade receivables	**51,056**	73,393	**-**	-
Deposits, prepayments and other receivables	**3,781**	10,204	**178**	97
Amount due from subsidiaries	**-**	-	**68,147**	71,064
Bank deposit pledged	**-**	10,390	**-**	-
Cash and cash equivalents	**39,718**	50,808	**3,192**	4,820
	112,898	161,950	**71,517**	75,981
Total assets	**124,013**	170,910	**76,268**	148,870
Current liabilities				
Trade payables	**46,836**	61,310	-	-
Other payables and accruals	**11,460**	9,404	**1,485**	397
Deposits received in advance from customers	**5,788**	346	-	-
Amount due to subsidiaries	**-**	-	**2,828**	2,828
Amount due to a shareholder	**731**	731	**731**	731
Tax payable	**-**	-	**-**	-
	64,815	71,791	**5,044**	3,956
Net current assets	**48,083**	90,159	**66,473**	72,025
Net assets	**59,198**	99,119	**71,224**	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	**(1,776)**	(1,686)	**(1,776)**	(1,686)
Share option reserve	**554**	594	**554**	594
Foreign exchange translation reserve	**(1,717)**	(4,341)	**-**	-
Accumulated losses	**(155,615)**	(113,200)	**(145,306)**	(71,746)
Total equity	**59,198**	99,119	**71,224**	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 31/12/2017		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 31/12/2017		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		Year Ended	
	31/12/2017	31/12/2016	**31/12/2017**	31/12/2016
	HK$'000	HK$'000	**HK$'000**	HK$'000
Cash flow from operating activities				
Profit/ (loss) before income tax	**(3,056)**	9,154	**(40,627)**	(7,626)
Adjustments for:				
Depreciation of plant and equipment	**1,396**	2,883	**4,912**	6,012
Provision for Intangible asset –club memberships	**230**	-	**230**	-
Provision/(reversal) for slow-moving stock	**548**	(442)	**1,002**	1,115
Reversal of impairment loss on trade receivables	**-**	-	**-**	(35)
Plant and equipment written off	**-**	527	**28**	527
Interest expenses	**26**	-	**59**	-
Interest income	**(230)**	(5)	**(244)**	(19)
Operating cash flows before working capital changes	**(1,086)**	12,117	**(34,640)**	(26)
Changes in working capital:				
Inventories	**6,474**	16,479	**(2,190)**	9,980
Trade and other receivables	**(26,230)**	(8,035)	**28,760**	(14,317)
Trade and other payables	**15,460**	(8,984)	**(6,976)**	(6,519)
Cash generated from/(used in) operations	**(5,382)**	11,577	**(15,046)**	(10,882)
Interest received	**230**	5	**244**	19
Income tax paid	**-**	-	**(12)**	(588)
Net cash generated from/(used in) operating activities	**(5,152)**	11,582	**(14,814)**	(11,451)
Cash flows from investing activities				
Purchases of plant and equipment	**(1,985)**	(855)	**(5,985)**	(4,829)
Net cash used in investing activities	**(1,985)**	(855)	**(5,985)**	(4,829)
Cash flows from financing activities				
Purchase of treasury shares	**-**	-	**(90)**	-
Dividend paid	**-**	-	**(1,816)**	(2,693)
Interest expenses	**(26)**	-	**(59)**	-
Net cash used in financing activities	**(26)**	-	**(1,965)**	(2,693)
Net increase/(decrease) in cash and cash equivalents	**(7,163)**	10,727	**(22,764)**	(18,973)
Release of pledged bank deposit	**10,952**	-	**10,952**	-
Effect of cash and cash equivalent denominated in foreign currencies	**165**	(602)	**722**	(1,364)
Cash and cash equivalents at beginning of the period	**35,764**	40,683	**50,808**	71,145
Cash and cash equivalents at end of the period	**39,718**	50,808	**39,718**	50,808

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 capitalization 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 – 4Q 2017	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 31 December 2017							
Balance as at 1 October 2017	20,250	197,502	(1,776)	554	(2,344)	(152,559)	61,627
Loss for the period	-	-	-	-	-	(3,056)	(3,056)
Other comprehensive income for the period	-	-	-	-	627	-	627
Balance as at 31 December 2017	**20,250**	**197,502**	**(1,776)**	**554**	**(1,717)**	**(155,615)**	**59,198**
Group – 4Q 2016							
For the three months ended 31 December 2016							
Balance as at 1 October 2016	20,250	197,502	(1,686)	633	(4,708)	(122,393)	89,598
Profit for the period	-	-	-	-	-	9,154	9, 154
Transfer to accumulated losses upon lapse of share option	-	-	-	(39)	-	39	-
Other comprehensive income for the period	-	-	-	-	(1,120)	-	(1,120)
Prior year adjustment (Note 1)	-	-	-	-	1,487	-	1,487
Balance as at 31 December 2016	**20,250**	**197,502**	**(1,686)**	**594**	**(4,341)**	**(113,200)**	**99,119**

Company – 4Q 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 December 2017						
Balance as at 1 October 2017	20,250	197,502	(1,776)	554	(75,981)	140,549
Loss for the period	-	-	-	-	(69,325)	(69,325)
Balance as at 31 December 2017	**20,250**	**197,502**	**(1,776)**	**554**	**(145,306)**	**71,224**
Company – 4Q 2016						
For the three months ended 31 December 2016						
Balance as at 1 October 2016	20,250	197,502	(1,686)	633	(65,266)	151,433
Loss for the period	-	-	-	-	(6,519)	(6,519)
Transfer to accumulated losses upon lapse of share option	-	-	-	(39)	39	-
Balance as at 31 December 2016	**20,250**	**197,502**	**(1,686)**	**594**	**(71,746)**	**144,914**

Note 1: Refer to Note 24 in Annual Report 2016.

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:-

Date	Type	Group and the Company	
		Number of Ordinary Shares	Shares capital and premium (HK$'000)
As at 31 December 2016 (excluding treasury shares)		40,146,193	216,066
On 25 May 2017	Share buyback	(25,000)	(90)
On 26 May 2017	Share buyback	(75,000)	
As at 31 December 2017 (excluding treasury shares)		40,046,193	215,976

The Company has 453,800 treasury shares as at 31 December 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 31/12/2017	As at 31/12/2016
Outstanding options	31,000	35,000

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 31/12/2017	As at 31/12/2016
Total number of issued shares excluding treasury shares	40,046,193	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.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings 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 December 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 December 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	
	Year ended 31/12/2017	**Year ended 31/12/2016**
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);	(101.5)	(19.0)
(b) On a fully diluted basis (HK$ cents)	(101.4)	(19.0)
Number of ordinary shares in issue (excluding treasury shares)		
Weighted average number of ordinary shares for the purpose of basic earnings per share	40,046,193	40,146,193
Effective of potentially dilutive ordinary shares – Share options	31,000	35,000
Weighted average number of ordinary shares for the purpose of diluted earnings per share	40,077,193	40,181,193

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	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Net asset value per ordinary shares based on issued share capital (HK$)	1.5	2.5	1.8	3.6
Number of ordinary shares in issuance excluding treasury shares	40,046,193	40,146,193	40,046,193	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 December 2017 of 40,046,193 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.

4Q 2017 vs 4Q 2016

Turnover

Group turnover decreased by 42.7% or HK$39.1 million from HK$91.5 million in 4Q 2016 to HK$52.4 million in 4Q 2017. The decrease was mainly attributed to weak demand from some major customers.

Gross profit and margin

Group's gross profit decreased by HK$14.3 million from HK$22.6 million in 4Q 2016 to HK$8.3 million in 4Q 2017. The overall gross profit margin decreased by 8.8% from 24.7% in 4Q 2016 to 15.9% in 4Q 2017 mainly due to the lower labour and factory overheads could not offset the negative impact of decline in sales.

Other operating income

Other operating income increased by HK$0.9 million from HK$0.8 million in 4Q 2016 to HK$1.7 million in 4Q2017 mainly due to the recovery of HK$1.1 million bad debts in 4Q 2017.

Selling and distribution expenses

Selling and distribution expenses decreased by 41.7% or HK$1.5 million from HK$3.6 million in 4Q 2016 to HK$2.1 million in 4Q 2017, mainly due to the decrease in transportation cost HK$0.5 million, licensing fee HK$0.4 million and staff cost HK$0.5 million.

General and administrative expenses

General and administrative expenses increased by 2.1% or HK$0.2 million from HK$10.7 million in 4Q 2016 to HK$10.9 million in 4Q 2017 mainly due to the decrease of exchange gain HK$1.3 million, partially offset by decrease in staff cost of HK$1.1 million.

Loss before income tax

Loss before income tax increased by HK$12.3 million from profit of HK$9.2 million in 4Q 2016 to a loss of HK$3.1 million in 4Q 2017.

FY2017 vs FY2016

Turnover

FY2017 revenue decreased by 55.6% or HK138.0 million from HK$248.1 million in FY2016 to HK$110.1 million in FY2017. This significant decrease was attributed to weak demand from some major customers.

Gross profit and margin

Group's gross profit decreased by HK$38.8 million from HK$51.7 million in FY2016 to HK$12.9 million in FY2017 in line with the decrease in sales. The overall gross profit margin decreased by 9.0% from 20.8% in FY2016 to 11.8% in FY2017 mainly due to lower factory overheads could not offset the negative impact of decline in sales.

Selling and distribution costs

Selling and Distribution costs decreased by 21.9% or HK$2.6 million from HK$11.5 million in FY2016 to HK$8.9 million in FY2017, mainly due to the decrease in transportation cost HK$2.1 million and licensing fee HK$1.1 million.

General and administrative expenses

General and administrative expenses decreased by 6.2% or HK$3.1 million from HK$49.8 million in FY2016 to HK$46.7 million in FY2017, mainly due to the decrease of staff cost HK$4.0 million, partially offset by the decrease of exchange gain of HK$2.0 million.

Loss before income tax

Loss before income tax increased by HK$33.0 million from HK$7.6 million in FY2016 to HK$40.6 million in FY2017 mainly due to the decrease of sales.

Statement of Financial Position (31 December 2017 vs 31 December 2016)

Plant and equipment increased by HK$2.4 million from HK$8.3 million as at 31 December 2016 to HK$10.7 million as at 31 December 2017 mainly due to increase of spending in tooling moulds.

Intangible asset – club memberships decreased by HK$0.2 million from HK$0.7 million as at 31 December 2016 to HK$0.5 million as at 31 December 2017 was due to the impairment losses recognized in 4Q 2017.

Trade receivables decreased by HK$22.3 million from HK$73.4 million as at 31 December 2016 to HK$51.1 million as at 31 December 2017 mainly due to lower of sales.

Deposits, prepayment and other receivables decreased by HK$6.4 million from HK$10.2 million as at 31 December 2016 to HK$3.8 million as at 31 December 2017 mainly due to the decrease of VAT receivable in line with lower purchase of raw materials.

Trade payables decreased by HK$14.5 million from HK$61.3 million as at 31 December 2016 to HK$46.8 million as at 31 December 2017 mainly due to lower purchase of raw materials.

Deposit received in advance from customers increased by HK$5.5 million from HK$0.3 million as at 31 December 2016 to HK$5.8 million as at 31 December 2017 mainly due to deposits received for new projects from customers.

Statement of Cash Flows

Net cash used in operating activities increased by HK$3.3 million from HK$11.5 million in FY2016 to HK$14.8 million in FY2017, mainly due to increase of loss, partially offset the working capital released from lower sales.

As at 31 December 2017, the Group had cash and cash equivalents of HK$39.7 million (31 December 2016: HK$61.2 million) with no bank borrowings (FY2016: 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 world of audio has changed significantly with the entry of Amazon, Apple & Google through smart audio. We are just a small observer while the big giants shake up the whole world. However, there are only limited numbers of high quality audio manufacturers, of which we are definitely one.

It is indeed very challenging and the parties who are suffering include many larger companies including our customers. There are niches though and we have every confidence that we would be able to exploit these in reasonable time. We seek the indulgence of our shareholders and hopefully the authorities.

As the business conditions continue to be challenging, we definitely will need to look for new capital, new partners, and diversification into a few new business segments.

Fund raising option (including right issue exercise) is being considered by the Company to obtain additional cash in order to meet its working capital needs.

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?

Yes.

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per Share (in HK dollars)	HK$0.045 per ordinary share

Tax Rate	Not applicable

(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 year ended 31 December 2017.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

By geographical segments

Turnover of geographical segments of principal markets are analyzed by destination of delivery of products

	FY2017 HK$'000	FY2016 HK$'000
United States of America	42,302	128,199
Europe	12,720	11,198
Asia	52,827	108,160
Others	2,253	574
Total	110,102	248,131

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to section 8 of part I above.

15. A breakdown of sales.

	FY2017 HK$'000	FY2016 HK$'000	% increase/ (decrease)
Turnover reported for first half year	29,488	80,518	(63.4%)

Operating loss after taxation before minority interest reported for first half year	(29,005)	(20,598)	40.8%
Turnover reported for second half year	80,614	167,613	(51.9%)
Operating profit/ (loss) after taxation before minority interest reported for second half year	(11,634)	12,971	N/M

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	FY2017 HK$'000	FY2016 HK$'000
Ordinary	-	1,816
Preference	-	-
Total:	-	1,816

17. 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 for FY 2017.

18. Disclosure under Rule704 (13) of the SGX Listing Manual

The Company wishes to confirm that there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

19. 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 February 2018