PlastoForm
Holdings Limited



Annual Report 2015

Corporate Profile

SGX Mainboard-listed PlastoForm is a manufacturer of world-class audio products. The Group specialises in the design and integrated production of quality audio devices. Working with the world's premier brands, the Group delivers a wide range of trendy lifestyle audio and multimedia accessories including Bluetooth and wireless products. Swift to adapt to evolving consumer trends, PlastoForm has continued to add outstanding new products to its range of speakers that have won over global leaders in the sector.

Founded in 1982, Hong Kong-based PlastoForm has leveraged on its strong design and engineering capabilities, as well as its project management skills to become the partner of choice for clients seeking top-rated Electronics Management Service (EMS) in Asia, arning repeated accolades from the industry for our dedication to innovation and excellence.



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Corporate Information

BOARD OF DIRECTORS
Tse Kin Man
(Executive Chairman)

Chiu Kwong Fai
(Chief Executive Officer & Executive Director)

Tan Tien Hin, Winston
(Non-Executive Director)

Khor Peng Soon
(Lead Independent Director)

Fong Hean Chuan
(Independent Director)



AUDIT COMMITTEE
Khor Peng Soon
(Chairman)

Tan Tien Hin, Winston

Fong Hean Chuan

NOMINATING COMMITTEE
Fong Hean Chuan
(Chairman)

Khor Peng Soon

Tan Tien Hin, Winston

REMUNERATION COMMITTEE
Fong Hean Chuan
(Chairman)

Khor Peng Soon

Tan Tien Hin, Winston

JOINT COMPANY SECRETARIES
Cheng Lisa, ACIS

Liu Wai Man

Codan Services Limited
(Asst. Company Secretary)

REGISTERED OFFICE
Clarendon House,
2 Church Street,
Hamilton HM 11,
Bermuda

BERMUDA COMPANY REGISTRATION
34171

PRINCIPAL OFFICE
Room 902-904, Seapower Centre,
73 Lei Muk Road,
Kwai Chung, New Territories,
Hong Kong

BERMUDA SHARE REGISTRAR
Codan Services Limited
Clarendon House,
2 Church Street,
Hamilton HM 11,
Bermuda

SINGAPORE SHARE TRANSFER AGENT
B.A.C.S. Private Limited
8 Robinson Road
#03-00 ASO Building
Singapore 048544

AUDITORS
Foo Kon Tan LLP
Chartered Accountants
47 Hill Street, #05-01,
Singapore Chinese Chamber of Commerce and
Industry Building,
Singapore 179365

Partner-in-charge: Kong Chih Hsiang Raymond
(Since financial year ended 31 December 2013)

PRINCIPAL BANKER
DBS Bank (Hong Kong) Limited,
16/F., The Centre,
99 Queen's Road Central,
Central, Hong Kong

Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present Plastoform Holdings Limited's (Plastoform) annual report for the financial year ended 31 December 2015 ("FY2015").

I am acutely aware that this has been a difficult year for the company. This is reflected in the financial results contained in this report.

This year in review

Sales for FY2015 were HK$281.8 million compared to HK$461.1 million for FY2014. Gross profit as a percentage of sales was 23.9% in FY2015 compared to 21.4% in FY2014. Net loss for FY2015 was HK$11.1 million compared to a net profit of HK$6.3 million in FY2014. While sales were substantially reduced in FY2015, the negative impact on operating results was relieved to a certain extent by a slightly improvement of gross profit margin and reduction of selling, general and administrative expenses. Further highlights of the Group's financial performance are detailed in the "Operations Review" section of the annual report.

It is naturally disappointing to report a net loss. However, operational performance and cash generated from operating activities both remained positive; the net loss arose purely from a non-operational and exceptional write-down that had no effect on cash-flows.

Challenges

Over the past year, the outlook for the economic climate worldwide remained fragile with slow growth. Although the United States economy was seeing signs of recovery, the ODM clients pursued a prudent inventory policy. It led a hard time to the manufacturers. However, we are confident that we can overcome some of the challenges that we face. As we stay positive, we strengthen our capabilities and business to stay ahead of our competition amidst the uncertain global economic circumstances.

Despite the gloom of the market, Plastoform took some important strides in the right direction. We embarked on a cost-effective, total solution strategy providing the highest Cost-Performance value to the customers. We took steps to achieve better economies of scale with increased capacities and intensification of our R&D efforts to enhance productivity. Our hard work and expertise have been acknowledged in the industry as we received many accolades through the years.

We have continued to pursue the same strategy as in previous years, building a strong position in Established Markets, focusing on Emerging Markets, innovating for value, simplifying and improving our operating model. The Board's oversight ensures that management remains focused on these strategic priorities and that investments are made in line with these objectives.

As the consumer market is dormant by some established well-known brands, the room of new brand is limited. While slowdowning the development of distribution pipe. We re-focused to our core



competence of design and manufacturing. We remain steadfast in executing our core competencies, extending our presence in the mobile accessories sector, exploring overseas business opportunities.

Dividend

As a reward to our shareholders for their continued support, the Board is recommending a final dividend of HK$0.0665 cent per share, of which is subject to shareholders' approval at the upcoming Annual General Meeting.

Outlook

Today, we are a stable company in very turbulent markets and 2016 will continue to be challenging. We are meeting the challenges with a sound financial position, and well-established long-term relationships with customers. We also have taken the right steps this year to manage our operational costs and capex investment. I am confident that our strategies and capabilities will enable us to capture the opportunities and regain the momentum of profitability and sustainable growth in a fast moving technological and business environment.

Closing Remarks

On behalf of the Board of Directors, I would like to take this opportunity to thank all our valued shareholders for your understanding and continued strong support. I would also like to express my appreciation to our management team and all staff for their outstanding contributions and hard work over the past year.

Sincerely,

TSE KIN MAN
EXECUTIVE CHAIRMAN



Board of Directors

TSE KIN MAN
EXECUTIVE CHAIRMAN

Mr. Tse Kin Man is the Executive Chairman of our Group. He was appointed to our Board on 23 September 2003 and is responsible for the development of overall corporate strategies as well as marketing and product development of the Group. Mr. Tse has over 30 years of manufacturing background specialising in electronics design along with more than 20 years extensive experience in entrepreneurship and business management. Prior to joining Plastoform, he was one of the founders and Director of R&D at STD Holding Limited specialised in the video game accessories products. His career escalated since 1979 when he joined Bondwell Holding Limited as Chief Designer and he carried the title of General Manager at Bondwell Engineering Limited (a wholly owned subsidiary of Bondwell Holding Limited) when he left in 1987. Mr. Tse's comprehensive knowledge has led Plastoform to evolve from manufacturing plastic moulding in 1995 to OEM/ODM multimedia speakers today.

Mr. Tse obtained a Higher Diploma in Design from Hong Kong Polytechnic in 1977. He was also admitted as a full member of the Hong Kong Designers Association in January 2006. Mr. Tse has a strong sense of the evolutionary trend-setting products trends and has a proven track record of manufacturing including LCD watches and clocks in 1977, Atari joystick and game cartridges in 1982-84, PC multimedia speakers in 1990 just after Soundblaster was launched. Mr. Tse was last re-elected on 24 April 2014.

CHIU KWONG FAI
CHIEF EXECUTIVE OFFICER & EXECUTIVE DIRECTOR

Mr. Chiu Kwong Fai is the Chief Executive Officer of our Group. He was appointed to our Board on 23 September 2003 and has been with Plastoform Industries Limited ("PIL") since 1987. Mr. Chiu is responsible for the development of overall corporate strategies as well as manufacturing and operations of the Group. Mr. Chiu has over 30 years of experience in the product design and manufacturing industry. Prior to joining PIL in 1987, Mr. Chiu worked at International Quartz Limited (a subsidiary of Chiap Hua Industries Limited) where he headed the industrial design and mechanical/industrial engineering department for 5 years before joining PIL. He joined PIL in 1987 as a Product Manager and was promoted to General Manager and was eventually appointed Director in 1992. Mr. Chiu obtained a Higher Diploma in Design from Hong Kong Polytechnic in 1977. He was also subsequently awarded a Certificate in Industrial Management in 1982 from Hong Kong Polytechnic, a Certificate in Industrial Management from the Institution of Industrial Managers in 1982, and a Higher Certificate in Communication, Advertising and Marketing in 1988 from Hong Kong Polytechnic. Mr. Chiu has been admitted as an associate of the Institution of Industrial Managers since 1983. Mr. Chiu was last re-elected on 22 April 2013 and will be seeking re-appointment at the forthcoming Annual General Meeting of the Company.



KHOR PENG SOON
LEAD INDEPENDENT DIRECTOR AND CHAIRMAN OF THE AUDIT COMMITTEE

Mr. Khor Peng Soon was appointed to our Board on 21 August 2006. He is the Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees. He was appointed the Lead Independent Director of the Company on 22 November 2013. Mr. Khor is currently the Managing Director of JP Ying Advisory and the Executive Director of Reborne Pte Ltd. Prior to that, he held senior management positions at various corporations including the Singapore Economic Development Board, Ernst & Young (Singapore) and Sembawang Holdings Pte Ltd and he was also a Managing Director at Temasek Holdings (Pte) Ltd. Mr. Khor sits on the boards of a number of other publicly listed and private corporations. Mr. Khor was last re-elected on 22 April 2013 and will be seeking re-appointment at the forthcoming Annual General Meeting of the Company.

FONG HEAN CHUAN
INDEPENDENT DIRECTOR

Mr. Fong Hean Chuan was appointed to the Board on 12 August 2011 as a Non-Executive Director, and was re-designated as an Independent Director in 2013. He is the Chairman of the Nominating and Remuneration Committees and a member of the Audit Committee. He is currently the CEO of Astralink Technology Pte Ltd. Prior to that, he worked in Defense Materials Organisation (DMO), Ministry of Defense in Singapore, as a Program Manager for 5 years. He then moved on to join AT&T Consumer Products Singapore taking up leadership and manager postion in quality management, engineering and product development during his seven years of employment there. Mr. Fong graduated from National University of Singapore with a B.E. (Electrical) Degree and a post-graduate degree in Master of Science (Industrial Engineering) in the same university. Mr. Fong was last re-elected on 29 April 2015.

TAN TIEN HIN, WINSTON
NON-EXECUTIVE DIRECTOR

Mr. Tan Tien Hin, Winston is the Non-Executive Director of our Group since 4 April 2011. He is a member of the Audit, Nominating and Remuneration Committees. Mr. Tan serves on the Board of other listed companies, including Singapore Technologies Kinetics Limited, Roxy-Pacific Holdings Limited and Serrano Holdings Pte Ltd. He is also on the Board of several private companies including Armour Publishing Ltd, FMS Hospitality Pte Ltd, Astralink Technology Pte Ltd, and Sinbor Company (Private) Limited.

Mr. Tan is the Managing Director for Winmark Investments Private Limited and Corporate Brokers International Private Limited, which are involved in Angel and Private Equity investments with high growth needs. Mr. Tan has over 24 years of corporate and investment banking experience. His previous appointments include being General Manager of Deutsche Bank AG (Singapore Branch), Vice-President in Citibank N.A. and Director of Singapore Technologies Engineering Ltd. Mr. Tan graduated from the University of Singapore with a Bachelor of Science (Physics) degree and completed an Executive Development Program at Columbia University in New York. Mr. Tan was last re-elected on 24 April 2014.

Key Management

MR. LIU WAI MAN, RAYMOND
FINANCIAL CONTROLLER

Mr. Liu Wai Man, Raymond joined the subsidiary of Plastoform Group as Operational Financial Controller in March 2014 and was appointed as the Group Financial Controller and Company Secretary of Plastoform Holdings Ltd on 23 May 2014. He is in charge of the Group's overall finance and accounting functions, tax planning, internal and external reporting matters of the Group, investor relations and to ensure proper compliance with the relevant accounting standards, listing rules and regulations.

Mr. Liu is a fellow member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants, an associate member of the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators. He holds a Bachelor of Business Administration (Hons) from Hong Kong Shue Yan University, a Bachelor of Management (Accounting) from Jinan University and also holds a Master of Arts in International Accounting from City University of Hong Kong, a Master of Science in Management (Human Resource Management) from the Hong Kong Polytechnic University, a Master of Science in Information Systems Management from the Hong Kong University of Science and Technology and a Master of Business Administration from University of South Australia.

Mr. Liu has over 25 years of experience in management accounting, financial controlling, treasury, IT, personnel and administration functions in multinational companies & companies listed in Hong Kong and Singapore, in which he got more than 15 years' experience taking the positon as Financial Controller, including in BCcomponents Hong Kong Ltd (a division of Philips Electronics Components prior to 1999), Nam Tai Electronic & Electrical Products Ltd and GP Batteries International Ltd.

CHAN CHI HUNG, MATTHEW
VICE PRESIDENT OF EMS

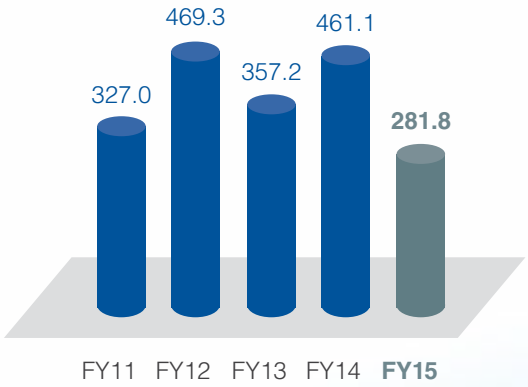
Mr. Chan Chi Hung, Matthew is the Vice President of our EMS Division responsible for the management and development of the business in ODM. He was promoted from his former post as Vice President of R&D in 2014. To cope with the continuous higher requirements from EMS customers, it is essential to maintain the relationship with the integration of our advanced technology, experienced program management, reliable quality assurance and efficient manufacturing & logistic process. He won the trust and appreciation from customers. During his former post as Vice President of R&D, he was responsible for the new technology research, development and application to the product. He also managed the Project and Engineering Department to carry out the development and implementation process from concept to product in the market. Mr. Chan worked with Plastoform for more than 10 years, he is fully adopted with the company's culture and operation system, enhanced him to lead the entire EMS team towards a new stage in the market.

Mr. Chan started his career as Assistant Mechanical Engineer in 1983 and generated state-of-the-art experience in the aspects of Product Development and Project Management thought the past 30 years. He was the R&D Manager in STD Manufacturing Ltd. since 1998 which was the peak and blooming years of game console products. He had also worked in Philips Audio and Thomson Audio for the development of audio products. Matthew joined Plastoform in 2002 as Engineering Manager in-charge-of the Engineering department and R&D Division. Mr. Chan holds a Master Degree in Science in Manufacturing System Engineering by The University of Warwick.

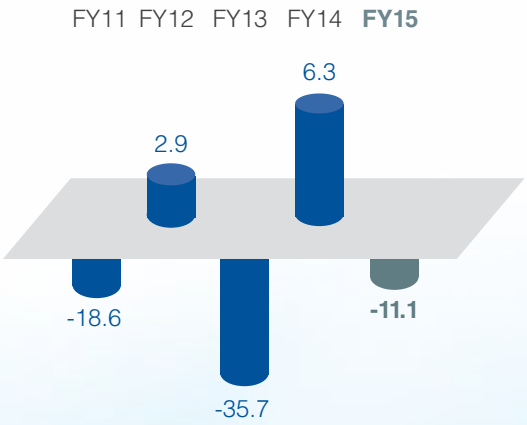


Financial Highlights

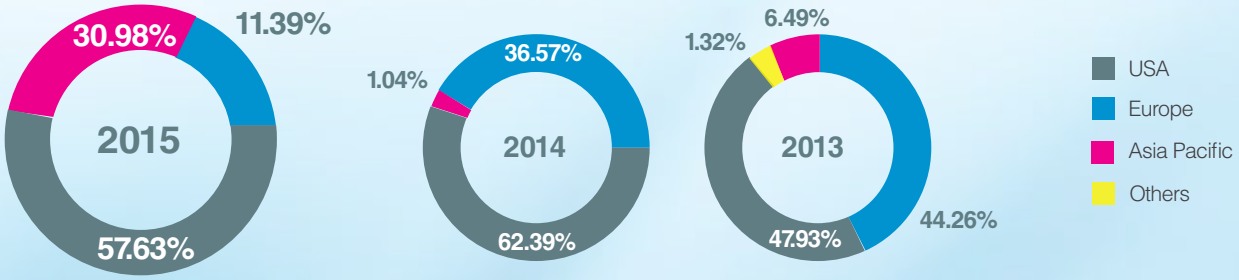
Revenue



Net Profit / (Loss)



GEO Segment



	FY2013 (Restated)	FY2014	FY2015
USA	158.1	287.7	**162.4**
Europe	171.2	168.6	**32.1**
Asia Pacific	23.2	4.8	**87.3**
Others	4.7	-	**-**
HK$' mil			
Revenue	357.2	461.1	**281.8**
Gross Profit	44.0	98.8	**67.2**
Profit/ (Loss) before Income Tax	(35.7)	7.0	**(10.1)**
Net Profit/ (Loss)	(35.7)	6.3	**(11.1)**
Gross Margin	12.3%	21.4%	**23.8%**
Net Margin	NA	1.37%	**NA**
Gearing	Net Cash	Net Cash	**Net Cash**
ROE (%)	NA	4.92%	**NA**
ROA (%)	NA	2.47%	**NA**
EPS (HK cents)	(88.1)	15.6	**(27.4)**
NAV per share (HK cents)	336.9	406.9	**272.5**

Operations Review

FY2015 revenue decreased by 38.9% or HK$179.3 million from HK$461.1 million in FY2014 to HK$281.8 million in FY2015. This decrease was due to reduction of demand for products manufactured for our major customers, end of product life for a major product line and lower tooling income.

In line with the decrease in sales, cost of sales decreased by 40.8% or HK$147.7 million from HK$362.3 million in FY2014 to HK$214.6 million in FY2015 and the overall gross profit margin increased by 2.5% from 21.4% in FY2014 to 23.9% in FY2015. The increase in gross margin in FY2015 were mainly due to contribution of product mix and better inventory management.

Selling and Distribution costs decreased by 20.5% or HK$4.0 million from HK$19.5 million in FY2014 to HK$15.5 million in FY2015. The decrease was mainly due to decrease of staff costs and transportation charges.

General and administrative expenses decreased by 15.9% or HK$11.9 million from HK$74.7 million in FY2014 to HK$62.8 million in FY2015. The decrease was mainly due to decrease of staff costs, product development expenses, general administrative expenses and increase of exchange gain, offset by increase of impairment loss on trade receivables.

Loss before income tax increased by HK$17.1 million from profit of HK$7.0 million in FY2014 to loss of HK$10.1 million in FY2015 mainly due to lower of sales and impairment loss on trade receivables made, after partially offset by reduction of general expenses and increase of exchange gain.

FINANCIAL POSITION

Plant and equipment decreased HK$8.6 million from HK$17.6 million as at 31 December 2014 to HK$9.0 million as at 31 December 2015 mainly due to tight control on capex and additional depreciation charges following the review of assets useful life cycle.

Inventories decreased HK$20.8 million from HK$49.1 million as at 31 December 2014 to HK$28.3 million as at 31 December 2015 due to lower of sales and better inventory management.

Trade receivables decreased by HK$36.6 million from HK$96.1 million as at 31 December 2014 to HK$59.5 million as at 31 December 2015 mainly due to lower sales.

Trade payables decreased by HK$41.6 million from HK$105.0 million as at 31 December 2014 to HK$63.4 million as at 31 December 2015 mainly due to lower material purchases in FY2015.

CASH FLOW

Net cash generated from operating activities increased by HK$2.1 million from HK$13.8 million in FY2014 to HK$15.9 million in FY2015 due to improvement of working capital management.

Net cash used in investing activities decreased by HK$6.7 million from HK$11.2 million in FY2014 to HK$4.5 million in FY2015, attributed to tight control on capex.

Net cash generated from financial activities decreased by HK$31.9 million from HK$29.1 million generated in FY2014 to HK$2.8 million used in FY2015, mainly due to net proceeds of HK$31.7 million raised out in FY2014 from rights issue and HK$2.7 million dividend paid in FY2015.



The Board of Directors (the "Board") is committed to setting and maintaining high standards of corporate governance within the Company and its subsidiaries (the "Group").

The Board of Directors and Management are committed to use its best endeavors to align the governance framework with the recommendations of the Code of Corporate Governance 2012 (the "Code").

The Company confirms that it has adhered to the principles and guidelines as set out in the Code, where applicable, and has explained areas of non-compliance.

BOARD MATTERS

Principle 1: Effective Board to Lead and Control of the Group.

The Board oversees the management of the business and affairs of the Group and is responsible for the overall performance of the Group. The functions of the Board are to:

- Review and approve Board policies and corporate and strategic directions for the Group;
- Review and approve annual budgets, strategic plans, major investments, divestments and funding decisions;
- Oversee processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance requirements;
- Approve quarterly and full year results announcements, circulars, and audited financial statements and annual reports;
- Recommend the declaration of dividends;
- Approve the nomination of directors and the company secretary; and
- Establish value and standards for the Group, and ensuring that obligations to shareholders and others are understood and met.

The Group has in place internal guidelines and approval limits for operational, financial and capital expenditure requirements. Under these guidelines, Board approval is required for any matters which is likely to have a material impact on the Group's operations and financial positions as well as those matters not in the ordinary couse of business and transactions that exceed certain financial thresholds.

The Board is supported by the Board Committees including, the Audit Committee ("AC"), Remuneration Committee ("RC") and Nominating Committee ("NC"), which have been delegated with specific authority. Each Board Committee functions within its own defined terms of reference and procedures.

The Board has scheduled to meet at least four times a year and, as and when warranted by particular circumstances between the scheduled meetings. The Company's Bye-Laws provide for meetings to be held via telephone, electronic or other communication facilities which permits all persons participating in the meeting to communicate with each other simultaneously.

Details of Directors' attendance at the Board and Board Committee meetings held in FY2015, are summarized in the table below:

Meeting of Total held in FY2015	Board 4	AC 5	NC 1	RC 2
Tse Kin Man	4	N/A	N/A	N/A
Chiu Kwong Fai	4	N/A	N/A	N/A
Tan Tien Hin, Winston	4	5	1	2
Fong Hean Chuan	4	5	1	2
Khor Peng Soon	4	5	1	2

N/A – not applicable

No new Director was appointed to the Board for FY2015. Newly appointed Directors, if any, will receive an orientation that includes briefing by Management on the Group's structure, businesses, operations and policies. Appropriate training/briefing will be provided for new Directors who have no prior experience as Directors of a listed company in Singapore.

Letters of appointment setting out Directors' duties, obligations and the terms of appointment, will be issued to new appointees to the Board.

As part of their continuing education, the Board may attend courses in areas of directors' duties and responsibilities, corporate governance, changes in financial reporting standards and insider trading, to keep themselves apprised and updated on the latest corporate, regulatory, legal and other requirements, at the Company's expenses. The Board will be provided from time to time updates on changes in the relevant new laws, other statutory and regulatory requirements, to enable them to make well-informed decisions and discharge their duties responsibly.

Board Composition and Balance

Principle 2: Strong and independent element on the Board.

As at the date of this report, the Board comprises five Directors, two of whom are Non-Executive and Independent Directors.

Executive Directors:

Tse Kin Man — Chairman
Chiu Kwong Fai — Chief Executive Officer

Non-Executive Director:

Tan Tien Hin, Winston

Independent Directors:

Khor Peng Soon
Fong Hean Chuan

The Board is of the view that its current composition is appropriate, taking into account the scope and nature of the operations of the Group. The Directors bring with them a wide spectrum of industry skills, experience, management expertise and objective perspective to effectively lead and direct the Group.

The NC, which has the responsibility of reviewing the independence of Directors on an annual basis, had adopted the Code's definition of "independent" director.

Notwithstanding that Khor Peng Soon had served on the Board beyond 9 years from the date of his first appointment on 21 August 2006, the Board concurred with the NC and is of the view that Mr Khor is independent despite his extended tenure in office as:

(i) Over the years, he has actively participated in the proceedings and decision making process of the Board and Board Committees.

(ii) He has been providing impartial and autonomous views at all and exercising independent judgement in the best interest of the Company in discharging his duty as a Director of the Company.

(iii) He has provided overall guidance to Management and in protecting the Company's assets and shareholders' best interests.

Mr Khor was abstained from deliberations in respect of his own rigorous review of independence.

Non-Executive Directors contribute to the Board process by monitoring and reviewing Management's performance against goals and objectives. Their views and opinions provide alternative perspectives to the Group's business. When challenging Management's proposals or, decisions, they bring independent judgment to bear on business activities and transactions involving conflicts of interest and other complexities.

Non-Executive Directors communicate with each other without the presence of Management as and when the need arises.

The profile of Board members is set out on page 4 and 5 of the Annual Report.

Chairman and Chief Executive Officer

Principle 3: Division of responsibilities and balance of power

Tse Kin Man, the Executive Chairman is responsible for the development of overall corporate strategies as well as marketing and product development of the Group. He schedules meetings and sets the Board agenda in consultation with Management and the Company Secretary. The Executive Chairman, who possesses in-depth knowledge of the Group's business, guides discussions and ensures that the Board is briefed on developments and issues in a timely manner.

The Chief Executive Officer ("CEO"), Chiu Kwong Fai, is responsible for the development of overall corporate strategies as well as manufacturing and operations of the Group.

As the Executive Chairman and CEO are not related to each other and each performs separate functions, there is an appropriate balance of power and authority for independent decision-making to permeate within the Board.

Khor Peng Soon, the Lead Independent Director of the Company, is available to address shareholders' concerns on issues that has not been satisfactory resolved or cannot be appropriately dealt with by the Chairman, CEO and/or the Financial Controller.

Board Membership

Principle 4: Formal and transparent process for the appointment of new Directors to the Board.

The NC comprises the following members:

Fong Hean Chuan (Chairman)
Khor Peng Soon
Tan Tien Hin, Winston

A majority of the members of the NC, including the Chairman are Non-Executive and Independent Directors.

The NC Chairman is not associated with a substantial shareholder of the Company.

Under its terms of reference, the duties of the NC include the following:

- reviews and makes recommendations to the Board on all new appointments;
- reviews the Board structure, size, balance and composition;
- determines the independence of the Directors;
- recommends the nomination of Directors who are retiring by rotation to be put forward for re-election;
- reviews Board succession plans for Directors, in particular, the Chairman and CEO;
- reviews training and professional development programs for the Board;
- assesses the effectiveness of the Board as a whole and Board Committees and for assessing the contribution of each of the Directors to the effectiveness of the Board; and
- assesses the commitment of each Director to the Company, in relation to multiple directorships held by Directors.

A process for Selection and Appointment of new Directors, provides the procedure for identification of potential candidates' skills, knowledge and experience, assessment of candidates' suitability and recommendation for nomination to the Board.

In accordance with the Company's Bye-Laws, every Director is required to retire by rotation at least once in every three years and, may offer himself for re-election. Newly appointed Directors will have to retire at the next Annual General Meeting ("AGM") following their appointments.

The NC has recommended the nomination of Chiu Kwong Fai and Khor Peng Soon, for re-appointment at the forthcoming AGM of the Company. Both of them have given their consents to continue in office. The Board has accepted the NC's recommendation and accordingly, both Mr Chiu and Mr Khor will be offering themselves for re-election at this AGM.

In recommending a Director for re-appointment to the Board, the NC considers each of their contribution including attendance and participation at Board and Board Committees and the time and efforts accorded to the Group's business and affairs.

Each NC member will abstain from voting on any resolution in respect of the assessment of his performance and contribution for re-nomination as a Director of the Company.

The NC has adopted internal guidelines to address competing time commitments of Directors who serve on multiple boards and have other major commitments. The Board has determined that a Director should serve on no more than 7 boards of listed companies.

The NC also considered, and is of the opinion, that the multiple board representations held by Directors of the Company do not impede their performance in carrying out their duties to the Company.

The Company does not have alternate Directors.

The NC had reviewed the independence of the Board members with reference to the guidelines set out in the Code and, has determined that Khor Peng Soon and Fong Hean Chuan to be independent.

Board Performance

Principle 5: Formal assessment of the effectiveness of the Board and the contribution by each Director to the effectiveness of the Board.

Performance evaluation was conducted for the Board as a whole and each of the Board Committees (namely the AC, NC and RC) in FY2015 for assessing the contribution by the Chairman and each of the Board Committees' members to the effectiveness of the Board. The evaluation exercise reviews the procedures, processes and effectiveness of the Board as a whole and of its Board Committees.

The performance evaluation for FY2015 was conducted by having all Directors to complete questionnaire. The NC discussed the results of the performance evaluation and appropriate actions with the Chairman of the Board and of each Board Committee. No external facilitator had been engaged by the Board for this purpose.

The evaluation exercise for the Board and Board Committees were carried out in the financial year under review whereby process entailed the completion of questionnaires covering the following areas –

i) Board and Board Committees processes and procedures;

ii) Access to information;

iii) Board and Board Committees accountability; and

iv) Size and composition.

In view of the size of the current operation of the Group, the NC is of the view that the current performance evaluation carried out for the Board as a whole and Board Committees is sufficient and there is no necessity to carry out an evaluation of each individual Director for the time being. The NC has reviewed from time to time the time commitments and efforts contributed by each of the Directors to the affairs of the Company through their participation at Board and Board Committee meetings and will continue to assess the necessity to carry out the performance evaluation for each individual Director.

Access to Information

Principle 6: Board members should be provided with complete, adequate and timely information

All Directors have independent access to the Group's Senior Management and the Company Secretary.

To ensure that the Board is equipped to discharge its responsibilities, Management provides the Board with complete, adequate and timely information prior to Board meetings and on an ongoing basis. To keep the Board apprised of the Group's performance and developments, Management provides Directors with management accounts on a monthly basis.

The Company Secretaries and/or their representatives provides secretarial support to the Board, ensures adherence to Board procedures and relevant rules and regulations which are applicable to the Company. The Company Secretary attends Board and Board committee meetings. The appointment and the removal of the Company Secretary should be a matter for the Board as a whole.

Subject to the Board's approval, Directors, whether as a group or individually, may seek and obtain independent professional advice, at the Company's expense, to assist them with their duties.

Remuneration Committee ("RC")

Principle 7: Formal and transparent procedure for determining Directors' remuneration packages.

The RC comprises all Non-Executive Directors. A majority of the RC, including the Chairman are independent.

Fong Hean Chuan (Chairman)
Khor Peng Soon
Tan Tien Hin, Winston

The RC reviews and recommends to the Board (i) the remuneration packages of all Executive Directors, key management of the Group and employees related to Directors or controlling shareholders of the Group, (ii) Directors' fees for Non-Executive Directors, which are subject to shareholders' approval at the AGM, and (iii) reviews and recommends to the Board the terms of renewal of service contracts of the Executive Directors.

The scope of the RC's review covers all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, and benefits-in-kind. The RC makes recommendations on an appropriate framework of remuneration taking into account employment conditions within the industry and the Group's performance to ensure that the package is competitive and sufficient to attract, retain and motivate the Directors and key management. On the other hand, the Company avoids paying more than it is necessary for this purpose. Elements of the Group's relative performance and the performance of the individual Directors form part of the Executive Directors' remuneration packages so as to align their interests with those of shareholders and promote long-term success of the Company.

Executive Directors are on service contracts which are renewed for a further 3 years with effect from January 2013, can be terminated by either party by giving not less than 2 months' notice. The RC reviewed the current service contracts of the Executive Directors in November 2015 and agreed to extend for a further 6 months for finalization of the terms and conditions of their new service contracts.

The RC reviews the Company's obligations arising in the event of termination of the Executive Directors' and key management's service contracts, to ensure that such contracts contain fair and reasonable termination clauses which are not overly generous. The Board is of the view that as the Group pays bonuses and incentives on the actual results of the Company/Group (and not on possible future results) and results that have actually been delivered by its Executive Directors and key management, "claw back" provisions in employment contracts may not be relevant or appropriate.

There was no bonus paid to the Executive Directors and key management for FY2015.

No external facilitator had been engaged by the Board for advice and remuneration matters for FY2015. However, the RC would access to professional advice, if required.

Level and Mix of Remuneration

Principle 8: Appropriate level and mix of remuneration.

The Group offers a comprehensive and competitive remuneration and benefits package to all its employees, which is linked to individual performance of the employee and performance of the Group.

Independent and Non-Executive Directors are paid Directors' fees based on their contribution and responsibilities on the Board and Board Committees. Directors' fees are subject to shareholders' approval at the AGM.

The RC has recommended to the Board an amount of S$160,000 as Directors' fees for the year ended 31 December 2015. This recommendation will be tabled for shareholders' approval at the forthcoming AGM.

DISCLOSURE ON REMUNERATION

Principle 9: Level and mix of remuneration Directors and Key Management.

A breakdown of level and mix of remuneration paid to each Director and key management of the Company for FY2015, is set out within remuneration bands below:

	Salary %	Bonus %	Benefits in Kind %	Fees %	Total %
Directors and CEO					
S$250,001 to S$500,000 per annum					
Tse Kin Man	98.2	0	1.8	0	100
Chui Kwong Fai	98.9	0	1.1	0	100
Below S$250,000 per annum					
Tan Tien Hin, Winston	0	0	0	100	100
Khor Peng Soon	0	0	0	100	100
Fong Hean Chuan	0	0	0	100	100
Key Management					
S$250,001 to S$500,000 per annum					
Robert A. Perry (Resigned on 26 August 2015)	100	0	0	0	100
Below S$250,000 per annum					
Liu Wai Man	100	0	0	0	100
Chan Chi Hung, Matthew	100	0	0	0	100

Given the confidentiality and sensitivity of remuneration matters, the Company has not disclosed the exact details of the remuneration of the Directors and CEO. The Company has, however, disclosed the remuneration of the Directors and CEO in bands of S$250,000.

The annual aggregate remuneration paid to the key management (who are not Directors of the Company) is approximately S$619,130.

An employee, Tse Kin Sang is the brother of Tse Kin Man, which Tse Kin Man is the Executive Chairman and Substantial Shareholder of the Company. His aggregate remuneration (salary, bonus and benefits-in-kind) did not exceed S$50,000 for FY2015. He resigned on 21 January 2015.

The Group has in place two share schemes in the form of Plastoform Employee Share Option Scheme ("ESOS") and Plastoform Performance Share Plan ("PSP") for eligible employees, including Directors of the Group. Details of ESOS grants and PSP awards are disclosed in the Report of Directors on page 22 of Annual Report.

Accountability

Principle 10: The Board is accountable to shareholders while Management is accountable to the Board.

The Board provides shareholders with detailed analysis, explanation and assessment of the Group's financial performance, position and prospects on a quarterly basis. The Board approves and authorizes the release of the Company's quarterly and full-year results, as well as discloseable material information in relation to the Group, via SGXNet, to Singapore Exchange Securities Trading Limited ("SGX-ST") and the investing public.

Management currently provides the Board with management accounts of the Group's performance, position and prospects on a monthly basis. This is supplemented by updates on matters affecting the financial performance, business or prospects of the Group, as and when such event occurs.

Risk Management and Internal Controls

Principle 11: The Board is responsible for the governance of risk.

The Board is responsible for ensuring that a sound internal control system is maintained. The Board recognizes the need to put in place a system of internal controls within the Group to manage risks and safeguard the Group's assets and shareholders' interests. It is acknowledged that no cost effective internal control system will preclude any errors and irregularities. The system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Management regularly reviews the Group's business and operational activities to identify significant risks and to take appropriate measures to control and mitigate these risks within the Group's policies and strategies.

The external auditors carried out a review on key internal controls relevant to the Company's preparation and fair presentation of the financial statements during the course of audit. Any significant internal control weaknesses and non-compliance noted during the audit and the recommendations thereof are reported to the AC as part of the review of the Group's internal control systems.

Based on the Group's policies and procedures as well as risk management framework in place within the Group, the quarterly assurance confirmation by Management and the work performed by the external auditors and internal auditors, the AC and the Board are of the view that the risk management system and internal controls in place within the Group addressing the financial, operational, compliance and information technology risks to which the Company is exposed in its current business environment are adequate and effective as at 31 December 2015.

The Board has received assurance from the CEO and the Financial Controller that:

(i) The Company's financial records have been properly maintained and the financial statements gave a true and fair view, of the financial condition and operational results of the Company; and

(ii) Regarding the effectiveness of risk management system and internal control systems in place within the Group.

Audit Committee ("AC")

Principle 12: The Board should establish an AC with written terms of reference which clearly set out its authority and duties.

The AC comprises three Non-Executive Directors, the majority of whom are Non-Executive and Independent Directors. The members of the AC are:

Khor Peng Soon (Chairman)
Fong Hean Chuan
Tan Tien Hin, Winston

All AC members bring with them invaluable managerial and professional expertize in the manufacturing, financial and business management spheres. The Board is of the view that the AC has the relevant and recent financial management expertize and experience to discharge its responsibilities properly.

The AC meets at least four times a year and, as and when deemed appropriate to review:

- the audit plan of the Company's external auditors and the internal auditor, including the results of auditors' review and evaluation of the Group's system of internal controls;
- the external auditors' reports;
- the co-operation given by the Company's officers to the external auditors;
- the financial statements of the Company before submission to the Board and shareholders;
- the effectiveness and adequacy of internal accounting and financial control procedures;
- review the effectiveness and adequacy of the Company's internal controls;
- review arrangements by which staff of the Group may in confidence, raise concerns about possible improprieties in financial reporting or, other matters;
- evaluate the independence and performance of the external auditors and to consider their appointment and re-appointment;
- review non-audit services provided by the external auditors; and
- approve interested person transactions, if any.

The AC has explicit authority to investigate any matters within its terms of reference, full access to and the co-operation of Management, full discretion to invite any Director or Executive Officer to attend its meetings and has been given adequate resources to enable it to discharge its functions.

The Company has in place a Whistle-Blowing Policy whereby employees and any other persons who have dealings with the Group may, in confidence, report improprieties which may cause financial and non-financial loss or, damage to the Group.

The AC had met with the external auditors and internal auditors without the presence of Management and had established that the external auditors and internal auditors have had the full co-operation of Management in carrying out the audit for FY2015.

The Company confirms compliance with Rule 712 and Rule 715 of the Listing Manual in engaging Foo Kon Tan LLP ("FKT"), as the external auditors of the Company and its significant subsidiaries for consolidation purposes. FKT is registered with the Accounting and Corporate Regulatory Authority and its appointment as the Company's external auditors was approved by the Company's shareholders at the AGM held on 30 April 2012.

Audit fees paid/payable to FKT, the external auditors of the Company amounted to S$150,000 for the financial year ended 31 December 2015. Pursuant to Rule 1204(6)(a), there are no non-audit fees paid to the auditor. Accordingly, the AC is satisfied that the independence and objectivity of auditors have not been affected as confirmed by FKT.

During the financial year, the AC reviewed the quarterly and full-year financial statements prior to approving or recommending their release to the Board, as applicable; the annual audit plan of the external and internal auditors and the results of the audits performed by them; the list of interested person transactions; effectiveness and adequacy of the Group's risk management and internal controls systems; audit and non-audit services rendered by the external auditors and the re-appointment of external auditors and their remuneration.

The AC takes measures to keep themselves abreast of changes to accounting standards and issues which have a direct impact on financial statements, with updates provided by external auditors.

Internal Audit

Principle 13: Internal Audit function

The Board recognizes the importance of Internal Audit. The Internal Auditor ("IA") reports directly to the Chairman of the AC on internal audit matters. The role of IA is to support the AC in ensuring that the Group maintains a sound system of internal controls and risk management processes by monitoring and assessing the effectiveness of key controls and procedures, conducting in-depth audits of high risk areas and undertaking investigations as directed by the AC.

In FY2015, the Company's internal audit function was outsourced to Shinewing Risk Services Limited. Risk based audit approach is adopted to efficiently and effectively focus the nature, timing and extent of audit procedures to those areas that have the most potential for causing material internal control weakness. The IA prepares the audit plan & schedules, carries out the field work and then discuss the findings and corrective/preventive actions with management team. A final report with management actions will be submitted to the AC for review.

The AC is satisfied that the IA is staffed with suitably qualified and experienced professionals with the relevant experience and has carried out its function according to the internal controls – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treasury Commission.

The AC met with the IA to review the adequacy and effectiveness of the internal audit function for FY2015.

The AC approves the appointment, removal, evaluation and compensation of the IA.

Shareholder Rights

Principle 14: Companies should treat all shareholders fairly and equitably.

The Company recognizes the importance of treating all shareholders fairly and equitably, as well as the responsibility to facilitate the exercise of shareholders' rights. All registered shareholders are given opportunity to participate in and vote at the general meetings of the Company.

Shareholders are informed of changes in the Company's businesses that are likely to materially affect the value of the Company's shares.

Communication with Shareholders

Principle 15: Regular, effective and fair communication with shareholders.

The Board believes in timely communication of information to shareholders and the investing public. It is the Board's policy that all shareholders and the investing public should be equally and timely informed of all major developments that impact the Group and Company.

The Company adopts an open and non-discriminatory communication program to promote regular, effective and fair communication with the shareholders.

The Company endeavors to maintain regular and effective communication with shareholders through timely and comprehensive announcements. The Company does not practice selective disclosure. It has adopted a policy of making all necessary disclosures in public announcements via SGXNet.

The annual report is sent to all shareholders on a timely basis and notices of all general meetings are advertised in the newspaper and announced via SGXNet.

The Company does not have a fixed dividend policy. The form, frequency, and/or dividend payout will depend on the Company's financial performance and position, project capital expenditure, future investment plans and any other factors that the Directors consider relevant. The Company will communicate any dividend payouts to shareholders via announcements released to SGX-ST via SGXNet.

The Company's website serves as an important resource of information for investors. It contains information on the Group's products, corporate profile, Board of Directors, certifications, new releases as well as investor relation's contact.

Greater Shareholder Participation

Principle 16: Encourage greater shareholder participation at AGMs

At general meetings, shareholders are given opportunity to air their views and direct questions to the Board on any matter relating the Group's business and operations.

The Company's Bye-Laws allow shareholders to appoint proxies to attend and vote on their behalf at general meetings. The Chairmen of the AC, RC and NC and the auditors will be available at the AGM to attend to shareholders' queries relating to the resolutions before voting each of the resolution. All resolutions are to put to vote by poll, and the results of the general meeting will be announced via SGXNet after the conclusion of the meeting.

Resolutions are, as far as possible, structured separately and may be voted on independently.

The Company Secretary prepare minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board, Management and external auditors. Minutes of general meetings are available to shareholders upon their request.

Securities Transactions

The Group has adopted a Code of Best Practices for Securities Transactions (the "Securities Code") which sets out the Group's policy on dealings in securities of the Company and implications of Insider Trading. In line with our Securities Code, Directors, key officers and other employees of the Group, who have access to price-sensitive and confidential information are not permitted to deal in securities of the Company during the periods commencing at least 2 weeks before the announcement of the Group's quarterly results and one month before the announcement of the Group's full-year results and, ending on the date of the announcement of such results, or when they are in possession of unpublished price-sensitive information on the Group. In addition, the Directors and key officers of the Group are discouraged from dealings in the Company's securities on short-term consideration.

Interested Person Transactions (IPTs)

The AC has reviewed the rationale and terms of the Group's IPTs and is of the view that the IPTs are on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

Save as disclosed in the consolidated financial statement, the IPTs in FY2015 as disclosed below were below S$100,000 and 3% of the Group's latest audited net tangible assets -

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
	–	Not applicable *

* There is no subsisting shareholders' mandate for interested person transactions.

Material Contracts

Other than as disclosed above, the Group did not enter into any material contracts involving the interest of the Chief Executive Officer, Directors or controlling shareholders and no such material contracts subsisted between the end of the previous financial year and the end of the financial year.

Risk Management Policies and Processes

The Board regularly reviews the Group's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks.

The Group's financial risk and management is discussed under Note 22 of the Notes to the Consolidated Financial Statements on page 63 of the Annual Report.

The directors submit this annual report to the members together with the audited consolidated financial statements of the Group and statement of financial position of the Company for the financial year ended 31 December 2015.

Names of directors

The directors of the Company in office at the date of this report are:

Tse Kin Man	(Executive Chairman)
Chiu Kwong Fai	(Chief Executive Officer and Executive Director)
Tan Tien Hin, Winston	(Non-Executive Director)
Khor Peng Soon	(Lead Independent Director)
Fong Hean Chuan	(Independent Director)

Arrangements to enable directors to acquire shares, debentures, warrants or options

During and at the end of the financial year, neither the Company nor any of its subsidiaries was a party to any arrangement of which the object was to enable the directors to acquire benefits through the acquisition of shares, debentures, warrants or options of the Company or of any other corporate body, other than as disclosed in this report.

Directors' interest in shares, debentures, warrants or options

According to the Register of Directors' shareholdings kept by the Company, none of the directors who held office at the end of the financial year was interested in shares, debentures, warrants or options of the Company or its related corporations, except as follows:

	Number of ordinary shares					
	Holdings registered in the name of director or nominee			Holdings in which director is deemed to have an interest		
	As at 1.1.2015#	**As at 31.12.2015***	**As at 21.1.2016***	As at 1.1.2015#	**As at 31.12.2015***	**As at 21.1.2016***
Name of director						
Tse Kin Man (i)	150,000,000	**3,000,000**	**3,000,000**	594,787,500	**11,895,750**	**11,895,750**
Chiu Kwong Fai (i)	150,000,000	**3,000,000**	**3,000,000**	594,787,500	**11,895,750**	**11,895,750**
Tan Tien Hin, Winston (ii)	–	**–**	**–**	215,000,000	**4,300,000**	**4,300,000**
Khor Peng Soon	1,550,000	**31,000**	**31,000**	–	**–**	**–**
Fong Hean Chuan	2,250,000	**45,000**	**45,000**	–	**–**	**–**

(i) Tse Kin Man and Chiu Kwong Fai are deemed interested in the shares held by Konkin Limited ("Konkin") by virtue of their interest in Konkin.

(ii) The shareholders of Winmark Investments Pte. Ltd. ("Winmark") are Tan Tien Hin, Winston (50%) and his wife, Lim Sioh Tin Amy (50%). Tan Tien Hin Winston is deemed to be interested in all the shares held by Winmark.

Ordinary shares of HK$0.01 each of the Company as at 1 January 2015.

* On 25 May 2015, the Company completed the share consolidation of 50 existing issued ordinary shares with a par value HK$0.01 each into 1 ordinary share with a par value of HK$0.50 each and adjustments have been made to reflect the adjusted number of shares. Fractional entitlements are disregarded.

Directors' benefits

Since the end of the previous financial year, no director has received or entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest other than as disclosed in the financial statements and in Notes 16 and 21 to the financial statements.

Employee Share Option Scheme

As disclosed in the Prospectus dated 2 October 2006, the Company has adopted an Employee Share Option Scheme, known as Plastoform Employee Share Option Scheme ("ESOS"). The ESOS provides eligible participants with an opportunity to participate in the equity of the Company and serves to motivate and retain employees. The ESOS, which forms an integral and important component of a compensation plan is designed to primarily reward and retain confirmed employees of the Group including Executive Directors. The ESOS is administered by the Remuneration Committee ("RC").

a) Options to take up unissued shares

No options were granted during the financial year to take up unissued shares of the Company or of its subsidiaries.

b) Options exercised

No shares were issued during the financial year to which this report relates by virtue of the exercise of options to take up unissued shares of the Company or any subsidiaries.

c) Unissued shares under option

There were no unissued shares of the Company or any subsidiaries under option at the end of the financial year.

Plastoform Performance Share Plan

The Plastoform Performance Share Plan ("PSP") was approved by the shareholders of the Company on 24 April 2014, in addition to and is complementary to the ESOS and serves as an additional and flexible incentive tool. The PSP is intended to further the Company's continuing efforts to reward, retain and motivate Directors and employees to achieve better performance. The PSP is an incentive plan to provide the Company with the flexibility in tailoring reward and incentive packages to suit individual participants.

The PSP is administered by the RC.

Subject to the absolute discretion of the RC, the following groups of participants are eligible to participate in the PSP –

i) The Group's employees, Executive Directors and Independent Directors; and

ii) Controlling Shareholders and their associates who meet certain criteria, provided that the participation of each Controlling Shareholder or his Associate and each grant of share awards to any of them may only be effected with the specific prior approval of independent Shareholders at a general meeting in separate resolutions.

No share awards were granted under PSP since its commencement and during the financial year under review.

Audit Committee

The Audit Committee at the end of the financial year comprises the following members:

Khor Peng Soon (Chairman)
Fong Hean Chuan
Tan Tien Hin, Winston

The Audit Committee carried out its functions in accordance with the Listing Manual of the Singapore Exchange Securities and Trading Limited ("SGX-ST Listing Manual"). The functions performed are detailed in the Report on Corporate Governance set out in the Annual Report of the Company for the financial year ended 31 December 2015.

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditor and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditor, Foo Kon Tan LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

In appointing our auditors for the Company and subsidiaries, we have complied with Rules 712 and 715 of the SGX Listing Manual.

Independent Auditor

The independent auditor, Foo Kon Tan LLP, Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the Directors

TSE KIN MAN
CHAIRMAN

CHIU KWONG FAI
DIRECTOR

Dated: 21 March 2016

Statement By Directors

For the Financial Year Ended 31 December 2015

The Board of Directors is responsible for the preparation, consolidation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards. The responsibility for such internal controls as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In the opinion of the directors, the accompanying consolidated statement of financial position, the statement of financial position of the Company, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows, together with the notes thereon, are drawn up in accordance with and comply with International Financial Reporting Standards so as to present fairly the state of affairs of the Group and of the Company as at 31 December 2015 and of the results of the business, changes in equity and cash flows of the Group for the financial year ended on that date; and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Directors

TSE KIN MAN
CHAIRMAN

CHIU KWONG FAI
DIRECTOR

Dated: 21 March 2016

Report on the financial statements

We have audited the accompanying financial statements of Plastoform Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 December 2015, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and Section 90 of the Companies Act 1981 of Bermuda, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company present fairly, in all material respects, the state of affairs of the Group and the Company as at 31 December 2015, and the financial performance, changes in equity and cash flows of the Group for the financial year then ended in accordance with International Financial Reporting Standards.

Other matters

The Hong Kong Customs and Excise Department (the "HK Customs") visited the Company's Hong Kong office located at Kwai Chung on 20 October 2015 for the investigation of suspicious unauthorised use of computer software in business. Certain company's computers were detained by the HK Customs for further investigation. As at the balance sheet date, the investigation by the HK Customs is still ongoing and accordingly, no provision has been made for this amount in the financial statements as no reliable estimate can be made of the amount of the obligation.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 21 March 2016

Statements of Financial Position

As at 31 December 2015

	Note	The Group		The Company	
		31 December 2015	31 December 2014	**31 December 2015**	31 December 2014
		HK$'000	HK$'000 (Restated)	**HK$'000**	HK$'000
ASSETS					
Non-current assets					
Plant and equipment	3	**8,952**	17,582	**–**	–
Intangible asset - club memberships		**690**	690	**–**	–
Subsidiaries	4	**–**	–	**78,608**	82,608
		9,642	18,272	**78,608**	82,608
Current assets					
Inventories	5	**28,250**	49,069	**–**	–
Trade and other receivables	6	**69,245**	112,140	**75,080**	25,170
Cash and bank balances	7	**82,238**	75,253	**6,927**	34,125
		179,733	236,462	**82,007**	59,295
Total assets		**189,375**	254,734	**160,615**	141,903
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	8	**20,250**	20,250	**20,250**	20,250
Reserves	9	**90,228**	107,888	**136,068**	103,501
		110,478	128,138	**156,318**	123,751
LIABILITIES					
Current liabilities					
Trade and other payables	11	**78,310**	126,117	**4,297**	18,152
Tax payable		**587**	479	**–**	–
		78,897	126,596	**4,297**	18,152
Total equity and liabilities		**189,375**	254,734	**160,615**	141,903

The annexed notes form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

For the Financial Year Ended 31 December 2015

	Note	Year ended 31 December 2015 HK$'000	Year ended 31 December 2014 HK$'000
Revenue	13	**281,841**	461,104
Cost of sales		**(214,618)**	(362,287)
Gross profit		**67,223**	98,817
Other operating income	14	**996**	2,394
Selling and distribution expenses		**(15,516)**	(19,501)
General and administrative expenses		**(62,842)**	(74,708)
(Loss)/Profit before income tax	15	**(10,139)**	7,002
Income tax expense	17	**(971)**	(699)
(Loss)/Profit for the year		**(11,110)**	6,303
Other comprehensive (loss)/income for the year, net of tax:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations (at nil tax)		**(3,959)**	(605)
Foreign currency translation differences on disposal of foreign subsidiaries, reclassified to profit or loss		**152**	–
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods		**(3,807)**	(605)
Total comprehensive (loss)/income attributable to owners of the Company		**(14,917)**	5,698
Basic (loss)/earnings per share (HK cents)	19	**(27.4)**	15.6
Diluted (loss)/earnings per share (HK cents)	19	**(27.4)**	15.5

The annexed notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the Financial Year Ended 31 December 2015

	Share capital HK$'000	Share premium HK$'000	Reserve for treasury shares HK$'000	Foreign currency translation reserve HK$'000	Share options reserve HK$'000	Accumulated losses HK$'000	Total attributable to equity holders of the Company HK$'000
Balance at 1 January 2014	13,520	172,697	(1,234)	1,110	676	(95,478)	91,291
Profit for the year	–	–	–	–	–	6,303	6,303
Other comprehensive income	–	–	–	(605)	–	–	(605)
Total comprehensive income for the year	–	–	–	(605)	–	6,303	5,698
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Rights issue during the year (Note 8)	6,730	24,983	–	–	–	–	31,713
Purchase of treasury shares (Note 10)	–	–	(564)	–	–	–	(564)
Transfer to accumulated losses upon lapse of share options	–	–	–	–	(43)	43	–
Total contributions by and distributions to owners	6,730	24,983	(564)	–	(43)	43	31,149
Balance at 31 December 2014	20,250	197,680	(1,798)	505	633	(89,132)	128,138
Loss for the year	**–**	**–**	**–**	**–**	**–**	**(11,110)**	**(11,110)**
Other comprehensive (loss)/income							
Exchange differences on translation of foreign operations	**–**	**–**	**–**	**(3,959)**	**–**	**–**	**(3,959)**
Exchange differences on disposal of foreign subsidiaries reclassified to profit or loss	**–**	**–**	**–**	**152**	**–**	**–**	**152**
Total other comprehensive loss	**–**	**–**	**–**	**(3,807)**	**–**	**–**	**(3,807)**
Total comprehensive loss for the year	**–**	**–**	**–**	**(3,807)**	**–**	**(11,110)**	**(14,917)**
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Dividend paid during the year	**–**	**–**	**–**	**–**	**–**	**(2,677)**	**(2,677)**
Issuance of treasury shares (Note 10)	**–**	**–**	**278**	**–**	**–**	**–**	**278**
Purchase of treasury shares (Note 10)	**–**	**(178)**	**(166)**	**–**	**–**	**–**	**(344)**
Total contributions by and distributions to owners	**–**	**(178)**	**112**	**–**	**–**	**(2,677)**	**(2,743)**
Balance at 31 December 2015	**20,250**	**197,502**	**(1,686)**	**(3,302)**	**633**	**(102,919)**	**110,478**

The annexed notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the Financial Year Ended 31 December 2015

	Note	Year ended 31 December 2015 HK$'000	Year ended 31 December 2014 HK$'000
Cash Flows from Operating Activities			
(Loss)/Profit before taxation		**(10,139)**	7,002
Adjustments for:			
Depreciation of plant and equipment	3	**11,068**	4,306
Gain on liquidation of subsidiaries	14	**(152)**	–
Impairment loss on trade receivables	6	**3,342**	–
Reversal of impairment loss on trade receivables	6	**–**	(247)
Provision for stock obsolescence, net	5	**4,949**	2,397
Loss on disposal of plant and equipment	15	**46**	–
Plant and equipment written off	15	**–**	144
Interest income	14	**(48)**	(22)
Operating profit before working capital changes		**9,066**	13,580
Changes in working capital:			
Inventories		**15,870**	17,504
Trade and other receivables		**39,553**	(5,457)
Trade and other payables		**(47,807)**	(11,632)
Cash generated from operations		**16,682**	13,995
Interest received		**48**	22
Income tax paid		**(863)**	(220)
Net cash generated from operating activities		**15,867**	13,797
Cash Flows from Investing Activities			
Proceeds from sale of plant and equipment		**6**	–
Purchase of plant and equipment	3	**(4,515)**	(11,197)
Net cash used in investing activities		**(4,509)**	(11,197)
Cash Flows from Financing Activities			
Proceeds from Rights issue		**–**	32,842
Costs incurred on Rights Issue		**–**	(1,129)
Dividend paid during the year		**(2,677)**	–
Purchase of treasury shares	10	**(166)**	(564)
Repayment of directors' loan		**–**	(2,000)
Net cash (used in)/generated from financing activities		**(2,843)**	29,149
Net increase in cash and cash equivalents		**8,515**	31,749
Deposit pledged	7	**(11,093)**	–
Effect of exchange rate fluctuations on cash held		**(1,530)**	716
Cash and cash equivalents at beginning of year		**75,253**	42,788
Cash and cash equivalents at end of year	7	**71,145**	75,253

The annexed notes form an integral part of these financial statements.

1 General information

The financial statements of Plastoform Holdings Limited (the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2015 were authorised for issue in accordance with a resolution of the directors on the date of the Statement by Directors.

The Company was incorporated in Bermuda on 19 September 2003 as an exempted company with limited liability under the Companies Act 1981 of Bermuda. The Company's registered office is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal places of business of the Group are located at Room 902-904, Seapower Centre, 73 Lei Muk Road, Kwai Chung, New Territories, Hong Kong and Building No. 16, B Zone, The 1st Industrial Zone, Gonghe Community, Shajing Street, Baoan District, Shenzhen City, Guangdong Province, Peoples' Republic of China ("PRC").

The Company was listed on the Singapore Exchange Securities Trading Limited on 12 October 2006.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 4 to these consolidated financial statements.

2(a) Basis of preparation

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") including interpretations promulgated by the International Financial Reporting Interpretations Committee ("IFRIC") issued by the International Accounting Standards Board ("IASB"). The financial statements have been prepared under the historical cost basis, except as disclosed in the accounting policies below.

The financial statements are presented in Hong Kong dollars which is the Company's functional currency. All the financial information presented in Hong Kong dollars has been rounded to the nearest thousand, unless otherwise stated.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities.

Key sources of estimates uncertainty and significant judgements

The preparation of the financial statements in conformity with IFRS requires the management to exercise judgements in the process of applying the Group's accounting policies and requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting periods and the reported amounts of revenues and expenses during the financial years. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the financial year in which the estimate is revised if the revision affects only the financial year or in the financial year of the revision and future financial years if the revision affects both current and future financial years.

2(a) Basis of preparation (Cont'd)

Key sources of estimates uncertainty and significant judgements (Cont'd)

The critical accounting estimates and assumptions used and areas involving a high degree of judgement are detailed below:

Significant judgements made in applying accounting policies

(i) Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

(ii) Income tax (Note 17)

The Group has exposure to income taxes in numerous jurisdictions. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issue based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's tax payable and deferred tax liabilities as at 31 December 2015 were HK$587,000 (2014 - HK$479,000) and HK$Nil (2014 - HK$Nil).

The Group's subsidiaries make tax submissions to the local tax authorities in accordance with interpretations and local practices. Management has assessed and concluded that all tax submissions are appropriate and except for the outstanding payments so determined, there are no further tax and related liabilities.

As at 31 December 2015, the Group did not recognise deferred tax assets in relation to unutilised tax losses and temporary differences arising from deductible expenses due to uncertainty over which future taxable profit will be available against which the Group can utilise such benefit.

(iii) Impairment of loans and receivables (Note 6)

The Group's policy for doubtful receivables is based on the on-going evaluation of the collectability and aging analysis of the trade receivables and on management's judgement. Considerable judgement is required in assessing the estimate realisation of these receivables, including the current credit worthiness and the past collection history of each debtor, and the present values of the estimated future cash flows discounted at the effective interest rates. If the financial conditions of the Group's debtors were to deteriorate, resulting in an impairment of their ability to make payments, additional impairment loss of trade and other receivables may be required.

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

2(a) Basis of preparation (Cont'd)

Key sources of estimates uncertainty and significant judgements (Cont'd)

(iii) Impairment of loans and receivables (Note 6) (Cont'd)

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The group based its assumptions and estimate on parameters available when the financial statements are prepared. Existing circumstances and assumptions about future developments however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumption when they occur.

(i) Impairment of investment in subsidiaries (Note 4)

Investments in subsidiaries are tested for impairment when there are indicators that the carrying amount may not be recoverable or indications that an impairment loss recognised in prior periods may no longer exist or may have decreased as at the end of the reporting period. Recoverable amount is defined as the higher of an asset's or cash generating unit's fair value less costs of disposal and its value-in-use.

In making this judgement, the Group determined the recoverable amount using value-in-use which involves estimating the future cash flows expected from the cash-generating units and an appropriate discount rate in order to calculate the present value of the future cash flows, taking into account business outlook, including factors such as industry and sector performance, general market and economic conditions and other available information. As at 31 December 2015, a 1% increase/decrease in discount rate, keeping revenue growth rate constant; and a 1% increase/decrease in the revenue growth rate, keeping the discount rate constant, would not have a material impact of on the recoverable amount.

(ii) Useful lives and depreciation of plant and equipment (Note 3)

Management determines the estimated useful lives and related depreciation charges for its plant and equipment. This estimate is based on the historical experience of the actual useful lives of plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions. Management will revise the depreciation charge where useful lives are less than previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

Plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of plant and equipment to be within 5 to 10 years.

During the current financial year, management carried out a review on the useful life of moulds capitalised to better reflect and align the economic benefits to be generated from the moulds based on the expected product life cycle of the products produced. Accordingly, depreciation expenses in respect of moulds was accelerated by HK$6.1 million and was accounted for in statement of comprehensive income in accordance with IAS 8 – *Accounting Policies, Changes in Account Estimates and Errors*.

2(a) Basis of preparation (Cont'd)

Key sources of estimation uncertainty (Cont'd)

(ii) Useful lives and depreciation of plant and equipment (Note 3) (Cont'd)

The carrying amount of the Group's plant and equipment as at 31 December 2015 was HK$8,952,000 (2014 - HK$17,582,000). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. If the useful lives on plant and machinery were to increase by 1 year, the Group's loss for the year will decrease by approximately HK$2,345,000 (2014 - Group's profit for the year will increase by HK$456,000). A corresponding decrease in useful life by 1 year would increase the Group's loss for the year by HK$3,111,000 (2014 - Group's profit for the year will decrease by HK$707,000).

(iii) Allowance for inventory obsolescence (Note 5)

The Group reviews the ageing analysis of inventories at each reporting date, and makes provision for obsolete and slow moving inventory items identified that are no longer suitable for sale. The net realisable value for such inventories are estimated based primarily on the latest invoice prices and current market conditions. Possible changes in these estimates could result in revisions to the valuation of inventories.

If the net realisable values of the inventory increase/decrease by 5% from management's estimates, the Group's loss will decrease/increase by HK$1,413,000 (2014 - Group's profit will increase/decrease by HK$2,453,000).

(iv) Allowances for impairment loss on amounts due from subsidiaries (Note 6)

Amounts due from subsidiaries are tested for impairment when there are indicators that the carrying amount may not be recoverable or indications that an impairment loss recognised in prior periods may no longer exist or may have decreased as at the end of the reporting period. Recoverable amount is defined as the higher of an asset's or cash generating unit's fair value less costs of disposal and its value-in-use.

In making this judgement, the Company determined the recoverable amount using value-in-use which involves estimating the future cash flows expected from the cash-generating units and an appropriate discount rate in order to calculate the present value of the future cash flows, taking into account business outlook, including factors such as industry and sector performance, general market and economic conditions and other available information. As at 31 December 2015, a 1% decrease/increase in revenue growth, with the discount rate held constant, will result in an increase/decrease in the loss before tax for the year by approximately HK$2.2 million. A 1% decrease/increase in the discount rate, with the revenue growth rate held constant, will decrease/increase the loss before tax for the year by approximately HK$1.8 million.

2(b) Interpretations and amendments to published standards effective in 2015

On 1 January 2015, the Group has applied the new and revised standards, amendments and interpretation of IFRS that are mandatory for application from that date.

The adoption of the new and revised standards, amendments and interpretations of IFRS did not result in substantial changes to the Group's and Company's accounting policies and had no material effect on the amounts reported for the current period or prior financial year.

2(c) IFRS not yet effective

At the date of authorisation of these financial statements, certain new standards, and amendments to existing standards have been published by the IASB that are not yet effective, and have not been adopted early by the Group. Information on those expected to be relevant to the Group's financial statements is provided below.

Management anticipates that all relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement. The directors do not anticipate that the application of these new and revised IFRS will have a material impact on the financial statements of the Group and the Company except for the following which may be relevant to the Group and may have a significant effect on the consolidated financial statements in future financial periods.

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to IAS 1	Presentation of Financial Statements	1 January 2016
Amendments to IAS 7	Statement of Cash Flows	1 January 2017
IFRS 15	Revenue from Contracts with Customers	1 January 2017
IFRS 9	Financial Instruments	1 January 2018
IFRS 16	Leases	1 January 2019

Amendments to IAS 1 – Presentation of Financial Statements
The amendments to IAS 1 *Presentation of Financial Statements* clarify that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that companies should use professional judgement in determining where and in what order information is presented in the financial disclosures. Management is in determining materiality to apply the whole of financial statement and where and in what order information is presented in the financial disclosures.

Amendments to IAS 7 – Statement of Cash Flows
On 29 January 2016, IASB issued the Amendments to IAS 7. The changes are part of an initiative the IASB has undertaken to improve the effectiveness of disclosures in financial reports. Companies would need to reconcile cash flows arising from financial activities as reported in the statement of cash flows, excluding contributed equity, to the corresponding liabilities in the opening and closing statements of financial position.

IFRS 15 - Revenue from Contracts with Customers
IFRS 15 presents new requirements for the recognition of revenue, replacing IAS 18 "*Revenue*", IAS 11 "*Construction Contracts*", and several revenue-related Interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas not covered in detail under existing IFRSs, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options, and other common complexities. The Group's management have not yet assessed the impact of IFRS 15 on these consolidated financial statements.

IFRS 9 - Financial Instruments
IFRS 9 "*Financial Instruments*" (2015), represents the completion of its project to replace IAS 39 "*Financial Instruments: Recognition and Measurement*". The new standard introduces extensive changes to IAS 39's guidance on the classification and measurement of financial assets and introduces a new "expected credit loss" model for the impairment of financial assets. IFRS 9 also provides new guidance on the application of hedge accounting. Management have not yet assessed the impact of IFRS 9 on these consolidated financial statements.

2(c) IFRS not yet effective (Cont'd)

IFRS 16 - Leases

IASB issued a new Leases Standard, IFRS 16. It replaces accounting requirements introduced more than 30 years ago in accordance with IAS 17. Under the lessee accounting model, on initial recognition and measurement, lessee would have to recognise a "right of use" asset and a lease liability, measured at the present value of the lease payments to be made over the lease term. On subsequent measurement, the related "right of use" asset is depreciated in accordance with the depreciation requirements of IAS 16 - *Property, Plant and Equipment on a straight line basis*. "Right of use" assets are subject to impairment testing under IAS 36 - *Impairment of Assets*. The lessee is required to accrete the lease liability to reflect interest and reduce the liability to reflect the lease payments made. The lessee also re-measures the lease liability upon occurrence of certain events, such as changes in lease terms, changes in variable rents which is generally recognised as an adjustment to the "right of use" asset. Management has yet to assess the impact of IFRS 16 on these consolidated financial statements.

2(d) Summary of significant accounting policies

Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

Consolidation of the subsidiaries in the People's Republic of China ("PRC") is based on the subsidiaries' financial statements prepared in accordance with IFRS. Profits reflected in the financial statements prepared in accordance with IFRS may differ from those reflected in the PRC statutory financial statements of the subsidiary, prepared for PRC reporting purposes. In accordance with the relevant laws and regulations, profit available for distribution by the PRC subsidiaries were based on the amounts stated in the PRC statutory financial statements.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. Losses and other comprehensive income are attributable to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts as at that date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

2(d) Summary of significant accounting policies (Cont'd)

Consolidation (Cont'd)

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when the control is lost is regarded as the fair value on the initial recognition for subsequent accounting under IAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Transactions eliminated on consolidation

All inter-company balances and significant inter-company transactions and resulting unrealised profits or losses are eliminated on consolidation and the consolidated financial statements reflect external transactions and balances only.

Transactions with Non-Controlling Interest

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Thus, the Group controls an investee if and only if the Group has all of the following:

- power over the investee;
- exposure or rights or variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

2(d) Summary of significant accounting policies (Cont'd)

Subsidiaries (Cont'd)

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Plant and equipment and depreciation

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is recognised in statement of comprehensive income on a straight-line basis so as to write off the cost of these assets over their estimated useful lives as follows:

Plant and equipment	15% to 20% per annum
Moulds	Over 24 months
Furniture, fixtures and equipment	15% to 20% per annum
Motor vehicles	25% per annum
Yacht	25% per annum

The cost of plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

Subsequent expenditure relating to plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense in statement of comprehensive income during the financial year in which it is incurred.

For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition and to the month before disposal respectively. Fully depreciated plant and equipment are retained in the books of accounts until they are no longer in use.

Gains and losses arising from the retirement or disposal of plant and equipment are determined as the difference between the estimated net proceeds and the carrying amount of the asset and are recognised in statement of comprehensive income on the date of retirement or disposal.

Depreciation method, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date as a change in estimates.

2(d) Summary of significant accounting policies (Cont'd)

Intangible asset

Intangible assets relate to club memberships acquired separately and are measured on initial recognition of cost. The cost of club memberships is the fair value as at the date of acquisition. Subsequent to recognition, club memberships are measured at cost less any accumulated impairment losses.

Club memberships are classified as "Intangible Assets" with indefinite useful lives as club memberships entitle the member to enjoy the club facilities for lifetime. Since it is with indefinite useful lives, they are tested from impairment annually or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at a cash-generating unit level. The useful life of the club memberships with an indefinite life is reviewed annually to determine whether the useful life assessment continues to be supportable.

Financial assets

Financial assets can be divided into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired. The designation of financial assets is re-evaluated and classification may be changed at the reporting date with the exception that the designation of financial assets at fair value through profit or loss is not revocable.

All financial assets are recognised on their trade date - the date on which the Company and the Group commits to purchase or sell the asset. Financial assets are initially recognised at fair value, plus directly attributable transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value.

Derecognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken at least at each reporting date whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

Non-compounding interest and other cash flows resulting from holding financial assets are recognised in statement of comprehensive income when received, regardless of how the related carrying amount of financial assets is measured.

The Group does not hold any financial assets at fair value through profit or loss, held-to-maturity investments or available-for-sale financial assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in "current assets", except for maturities greater than 12 months after the reporting date which are classified as "non-current assets".

Loans and receivables include trade and other receivables (excluding VAT receivables, advances received and prepayments) and cash and bank balances. They are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in the statement of comprehensive income. Any reversal shall not result in a carrying amount that exceeds what the amortised cost would have been had any impairment loss not been recognised at the date the impairment is reversed. Any reversal is recognised in statement of comprehensive income.

2(d) Summary of significant accounting policies (Cont'd)

Financial assets (Cont'd)

Loans and receivables (Cont'd)

Receivables are provided against when objective evidence is received that the Group will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flow.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost incurred in bringing the inventories to their present location and condition, are accounted for as follows:

- Raw materials – Purchase cost on a weighted average basis;
- Work-in-progress and finished goods – Cost of direct materials and labour and apportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any allowance for write down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any allowance for write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and bank deposits net of any pledged bank deposits and bank overdrafts which are repayable on demand and which form an integral part of the Group's cash management. Bank overdrafts are presented as current borrowings on the statements of financial position.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

Dividends

Final dividends proposed by the directors are not accounted for in shareholders' equity as an appropriation of retained profits, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the articles of association of the Company grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

2(d) Summary of significant accounting policies (Cont'd)

Financial liabilities

The Group's financial liabilities include trade and other payables, related party balances and tax payables.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest-related charges are recognised as an expense in "finance costs" in statement of comprehensive income. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Trade and other payables, related party balances and tax payables are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method.

Financial assets and financial liabilities are offset and the net amount present in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Employee benefits

Pension obligations

The Group participates in the defined contribution national pension schemes as provided by the laws of the countries in which it has operations. Management is required to provide certain staff pension benefits to their employees under existing Hong Kong and PRC regulations. Pension contributions are provided at rates stipulated by the respective jurisdiction and are contributed to a pension fund managed by government agencies, which are responsible for administering these amounts for the employees.

A defined contribution national pension scheme is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. The contributions to national pension schemes are charged to statement of comprehensive income in the period to which the contributions made.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the unconsumed leave as a result of services rendered by employees up to the end of reporting period.

Employee Share Option Scheme

The Company has an employee share option plan for the granting of non-transferable options.

The Group issues equity-settled share-based payments to certain employees. The fair value of the employee services received in exchange for the grant of options is recognised as an expense in statement of comprehensive income with a corresponding increase in the share option reserve over the vesting period.

The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares under option that are expected to become exercisable on the vesting date.

At the end of each reporting period, the Group revises its estimates of the number of shares under option that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in statement of comprehensive income, with a corresponding adjustment to the share option reserve over the remaining vesting period.

2(d) Summary of significant accounting policies (Cont'd)

Employee benefits (Cont'd)

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve is credited to share capital account, when new ordinary shares are issued.

Performance Share Plan

The Performance Share Plan is accounted as equity-settled share-based payments. Equity-settled share-based payments are measured at fair value at the date of grant. The share-based expenses is amortised and recognised in the income statement on a straight-line basis over the vesting period. At each balance sheet date, the Company revises its estimates on the number of shares that the participating employees and directors are expected to receive based on non-market vesting conditions. The difference is charged or credited to the income statement, with a corresponding adjustment to equity over the remaining vesting period.

The fair value of the options granted to employees of its subsidiaries is recognised as an increase in the cost of the Company's investment in subsidiaries, with a corresponding increase recorded in equity over the vesting period.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and certain general managers are considered key management personnel.

Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

  (i) has control or joint control of the Company;

  (ii) has significant influence over the Company; or is a member of the key management personnel of the Group or Company or a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

  (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and the fellow subsidiary is related to the others).

  (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

  (iii) both entities are joint ventures of the same third party.

  (iv) one entity is a joint venture of a third party and the other entity is an associate of the third entity.

  (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

  (vi) the entity is controlled or jointly controlled by a person identified in (a);

  (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

2(d) Summary of significant accounting policies (Cont'd)

Leases

Where the Group is the lessee

Operating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Rentals on operating leases are charged to statement of comprehensive income on a straight-line basis over the lease term. Lease incentives, if any, are recognised as an integral part of the net consideration agreed for the use of the leased asset. Penalty payments on early termination, if any, are recognised in statement of comprehensive income when incurred.

Where the Group is the lessor

Operating leases

Rental income is recognised on a straight-line basis over the lease term.

Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable statement of comprehensive income at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, associates and jointly-controlled entities, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not be reversed in the foreseeable future.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the end of reporting period, to recover or settle the carrying amounts of its assets and liabilities.

2(d) Summary of significant accounting policies (Cont'd)

Income taxes (Cont'd)

Current and deferred income taxes are recognised as income or expense in statement of comprehensive income, except to the extent that the tax arises from a business combination or a transaction which is recognised either in other comprehensive income or directly in equity. Deferred income tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority.

Impairment of non-financial assets

The carrying amounts of the Group's and the Company's non-financial assets subject to impairment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the asset belongs will be identified.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation. All assets are subsequently reassessed for indicators that an impairment loss previously recognised may no longer exist.

Any impairment loss is charged to the statement of comprehensive income.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss has been recognised. A reversal of impairment loss is recognised in the statement of comprehensive income.

Revenue recognition

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue excludes goods and services taxes and is arrived at after deduction of trade discounts. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

The Group assesses its revenue arrangements to determine if it is acting as principal or agent. In a transaction where the Group acts as an agent, such commission income is recognised net on an accrual basis. The following specific recognition criteria must also be met before revenue is recognised:

2(d) Summary of significant accounting policies (Cont'd)

Revenue recognition (Cont'd)

(a) *Sale of goods and scrap materials*

Revenue is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, usually on delivery of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) *Interest income*

Interest income is recognised as it accrues in statement of comprehensive income, using the effective interest method.

(c) *Sponsorship income*

Sponsorship income is recognised when it is received.

Government grant income

An unconditional government grant is recognised in the statement of comprehensive income as "other income" when the grant becomes receivable.

Other government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. These grant are then recognised in profit or loss as "other income" on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses incurred are recognised in the statement of comprehensive income as "other income" on a systematic basis in the same periods in which the expenses are recognised.

Functional currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements of the Group and statement of financial position of the Company are presented in Hong Kong Dollar, which is also the functional currency of the Company.

Conversion of foreign currencies

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of reporting period are recognised in the statement of comprehensive income, unless they arise from borrowings in foreign currencies, other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations. Those currency translation differences are recognised in the currency translation reserve in the consolidated financial statements and transferred to statement of comprehensive income as part of the gain or loss on disposal of the foreign operation.

2(d) Summary of significant accounting policies (Cont'd)

Conversion of foreign currencies (Cont'd)

Transactions and balances (Cont'd)

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

Non-monetary items that are measured at historical cost in foreign currencies are translated using the exchange rates at the date of the transactions.

Group entities

The results and financial positions of all the entities within the Group that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the end of reporting period;

(ii) Income and expenses for each statement presenting profit or loss and other comprehensive income (i.e. including comparatives) shall be translated at average exchange rates.

(iii) All resulting currency translation differences are recognised in the currency translation reserve in equity.

Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

All operating segments' operating results are reviewed regularly by the Group's directors to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Additional disclosures on operating segments are shown in Note 18 to the financial statements, including the factors used to identify the reportable segments and the measurement basis of segment information.

Segment results that are reported to the Group's directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

3 Plant and equipment

The Group	Mould	Plant and machinery	Furniture, fixtures and equipment	Motor vehicles	Leasehold improvements	Yacht	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Cost							
At 1 January 2014	3,520	29,722	22,388	4,793	–	3,716	64,139
Additions	7,333	1,659	755	–	1,450	–	11,197
Write-offs	–	(174)	–	–	–	–	(174)
Exchange differences on translation	(17)	(7)	(3)	(2)	2	–	(27)
At 31 December 2014	**10,836**	**31,200**	**23,140**	**4,791**	**1,452**	**3,716**	**75,135**
Additions	**2,936**	**82**	**420**	**–**	**1,077**	**–**	**4,515**
Write-offs	**–**	**–**	**(65)**	**–**	**–**	**–**	**(65)**
Exchange differences on translation	**(662)**	**(1,633)**	**(59)**	**(12)**	**(130)**	**–**	**(2,496)**
At 31 December 2015	**13,110**	**29,649**	**23,436**	**4,779**	**2,399**	**3,716**	**77,089**
Accumulated depreciation							
At 1 January 2014	525	26,615	17,956	4,464	–	3,716	53,276
Depreciation for the year	1,146	1,265	1,373	78	444	–	4,306
Write-offs	–	(30)	–	–	–	–	(30)
Exchange differences on translation	–	(1)	3	(1)	–	–	1
At 31 December 2014	**1,671**	**27,849**	**19,332**	**4,541**	**444**	**3,716**	**57,553**
Depreciation for the year	**8,344**	**769**	**1,202**	**77**	**676**	**–**	**11,068**
Write-offs	**–**	**–**	**(13)**	**–**	**–**	**–**	**(13)**
Exchange differences on translation	**(363)**	**(29)**	**(19)**	**(5)**	**(55)**	**–**	**(471)**
At 31 December 2015	**9,652**	**28,589**	**20,502**	**4,613**	**1,065**	**3,716**	**68,137**
Net book value							
At 31 December 2015	**3,458**	**1,060**	**2,934**	**166**	**1,334**	**–**	**8,952**
At 31 December 2014	9,165	3,351	3,808	250	1,008	–	17,582

Depreciation of plant and equipment of approximately HK$9,229,000 (2014 - HK$1,768,000) and approximately HK$1,839,000 (2014 - HK$2,538,000) have been charged in "Cost of sales" and "Other operating expenses" respectively in the consolidated statement of comprehensive income.

4 Subsidiaries

The Company	2015 HK$'000	2014 HK$'000
Unquoted equity investment, at cost	**52,608**	52,608
Less: Impairment loss recognised during the year	**(4,000)**	–
	48,608	52,608
Amount due from a subsidiary (non-trade)	**30,000**	30,000
	78,608	82,608

The non-trade amount due from a subsidiary represents an extension of the Company's net investment in the subsidiary. The amount is unsecured and interest-free, and settlement is neither planned nor likely to occur in the foreseeable future. As the amount is, in substance, a part of the Company's net investment in the subsidiary, it is considered to be part of the cost of investment, and is stated at cost, less impairment losses, if any.

Details of the subsidiaries are:

Name of subsidiary	Country of incorporation/ Principal place of business	Effective equity interest held by the Group 2015 %	2014 %	Principal activities
Held by the Company				
PFM International Limited[1]	British Virgin Islands	**100**	100	Investment holding
Held by PFM International Limited				
Plastoform Industries Limited[1]	Hong Kong	**100**	100	Sales of audio products
Wave9 Systems Limited[1]	Hong Kong	**100**	100	Inactive
Gekko Industries Limited[1][2]	Hong Kong	**–**	100	Dormant
Platform2 International Limited[1]	Hong Kong	**100**	100	Sales of audio products
Held by Gekko Industries Limited				
Heyuan Gekko Electronics Company Limited[1][2] ("河源捷高电子有限公司")	Peoples' Republic of China	**–**	100	Dormant
Held by Plastoform Industries Limited				
Plastoform Electronics (Shenzhen) Company Limited[1] ("捷永广建电子（深圳）有限公司")	Peoples' Republic Of China	**100**	100	Manufacture and sales of audio products
TT Tech Limited	Hong Kong	**100**	100	Inactive

4 Subsidiaries (Cont'd)

Name of subsidiary	Country of incorporation/ Principal place of business	Effective equity interest held by the Group		Principal activities
		2015	2014	
		%	%	
Plastoform Chuangke Electronics (Shenzhen) Company Limited[1][2] ("捷永创科电子（深圳）有限公司")	Peoples' Republic Of China	**–**	100	Dormant
Held by Platform2 International Limited				
iUi Audio Inc[1]	United States	**100**	100	Sales of audio products
Platform2 Trading (Shenzhen) Company Limited[1] ("捷澧贸易（深圳）有限公司")	Peoples' Republic Of China	**100**	100	Inactive

(1) Audited by Foo Kon Tan LLP for consolidation purposes

(2) The entities have been voluntarily wound up in 2015

During the financial year ended 31 December 2015, having regard to the financial performance of certain subsidiaries that have been loss making since prior financial years, an impairment loss of approximately HK$4 million was recognised in respect of the Company's investment in PFM International Limited ("PFM"), which in turn invests in certain wholly-owned subsidiaries, to reduce the carrying amount of the investment to its recoverable amount.

In determining the recoverable amount of the cost of investment in PFM, which is an investment holding company, having 100% interest in Plastoform Industries Limited ("PIL") and Wave 9 Systems Limited ("Wave 9"), the recoverable amounts are determined based on the VIUs of PIL and Wave 9 respectively. The calculation of the impairment loss recognised on the cost of investment in subsidiary is as follows:

	The Company 2015 HK$'000
Carrying amount of investment in Plastoform Industries Limited:	
- Unquoted equity shares, at cost	**48,608**
- Non-trade amounts due from a subsidiary	**30,000**
	78,608
Carrying amount of investment in Wave 9 Systems Limited:	
- Unquoted equity shares, at cost	**4,000**
	82,608
Allowance for impairment loss on net investment in a subsidiary	**(4,000)**
Net investments in subsidiaries	**78,608**
VIU of subsidiaries:	
- Plastoform Industries Limited	**82,842**
- Wave 9 Systems Limited	**–**
	82,842

4 Subsidiaries (Cont'd)

The recoverable amount of the investment in PFM was determined based on the value-in-use ("VIU") of the subsidiaries, which was determined using a pre-tax discount rate of approximately 20.2%. The VIU calculation was based on projected cash flows derived from the financial budgets approved by the management.

The VIU of PIL of HK$82.8 million exceeds its carrying amount and accordingly, no impairment loss is required. The VIU of Wave 9 is HK$Nil and accordingly, an impairment loss of HK$4 million is recognised in the Company's statement of comprehensive income.

During the current financial year, management completed the liquidation of Gekko Industries Limited ("Gekko"), Heyuan Gekko Electronics Company Limited ("Heyuan") and Plastoform Chuangke Electronics (Shenzhen) Company Limited ("Chuangke"). Arising from the liquidation, a gain of HK$0.2 million was recognised in the profit or loss as follows:

The Company	**2015 HK$'000**
Net assets/(liabilities) disposed of:	
- Gekko	**(2,086)**
- Heyuan	**2,115**
- Chuangke	**123**
	152
Less: Sales proceeds received	**–**
Gain on liquidation of subsidiaries (Note 14)	**152**

5 Inventories

The Group	**2015 HK$'000**	2014 HK$'000
Raw materials (At cost)	**8,384**	23,613
Work-in-progress (At cost)	**8,206**	3,627
Finished goods (At net realisable value)	**11,660**	21,829
	28,250	49,069

Raw materials and changes in finished goods and work-in-progress included in cost of sales amounted to HK$148,894,000 (2014 - HK$248,119,000). In 2015, management provided approximately HK$4,949,000 for inventory obsolescence (2014 - HK$2,397,000). The provision for inventory obsolescence is included in "cost of sales".

6 Trade and other receivables

The Group	2015 HK$'000	2014 HK$'000 (Restated)
Trade receivables	**62,821**	96,126
Allowance for impairment loss	**(3,342)**	–
Net trade receivables	**59,479**	96,126
Deposits	**1,026**	3,198
Other receivables	**423**	764
Loans and other receivables	**60,928**	100,088
Advances to suppliers	**763**	813
Input VAT recoverable, net	**6,795**	9,940
Prepayments	**759**	1,299
	69,245	112,140

The Company

Amounts due from subsidiaries (non-trade)	**120,567**	132,641
Allowance for impairment loss	**(45,584)**	(107,607)
Net amounts due from subsidiaries	**74,983**	25,034
Prepayments	**97**	136
	75,080	25,170

The Group's primary exposure to credit risk arises through its multinational corporations. The sales are recognised at their original invoiced amounts which represent their fair values on initial recognition. The average credit term extended to the majority of the customers ranges from 60 to 90 days.

The Group's historical experience in the collection of account receivables falls within the recorded allowances. As a result, management believes that no additional credit risk beyond the amounts provided for, is inherent in the Group's trade receivables.

The non-trade amounts due from subsidiaries are unsecured, interest-free and repayable on demand. The amounts due from subsidiaries do not have any credit terms and are not past due.

Impairment losses

The ageing of loans and other receivables at the reporting date is:

	As at 31 December 2015			As at 31 December 2014		
The Group	Gross HK$'000	Impairment losses HK$'000	Net HK$'000	Gross HK$'000	Impairment losses HK$'000	Net HK$'000
No credit terms	**1,448**	**–**	**1,448**	3,962	–	3,962
Not past due	**46,753**	**–**	**46,753**	64,382	–	64,382
Past due:						
- Not more than 3 months	**12,506**	**–**	**12,506**	31,133	–	31,133
- More than 3 months and not more than 6 months	**149**	**(35)**	**114**	249	–	249
- More than 6 months and not more than 12 months	**100**	**–**	**100**	362	–	362
- More than 12 months	**3,314**	**(3,307)**	**7**	–		–
	64,270	**(3,342)**	**60,928**	100,088	–	100,088

6 Trade and other receivables (Cont'd)

The change in impairment losses in respect of loans and other receivables during the year is as follows:

	The Group		The Company	
	2015	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000
At 1 January	**–**	5,977	**107,607**	107,607
Impairment loss recognised (Note 15)	**3,342**	–	**31,664**	–
Impairment loss reversed (Note 14)	**–**	(247)	**(76,105)**	–
Impairment loss utilised	**–**	(5,730)	**(17,582)**	–
At 31 December	**3,342**	–	**45,584**	107,607

As at the reporting date, management carried out a review of the recoverable amount of the amounts due from subsidiaries. The review led to the (i) recognition of an impairment loss of HK$31.7 million on amounts due from subsidiaries and (ii) reversal of impairment loss of HK$76.1 million that have been recognised in the Company's statement of comprehensive income. To determine whether there is an objective evidence of impairment, management assessed if a loss event has occurred such that the Company will not be able to recover all amounts due in accordance with the original terms of the inter-company receivables.

7 Cash and bank balances

	The Group		The Company	
	2015	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000
Cash on hand	**93**	295	**–**	–
Cash at banks	**71,052**	74,958	**6,927**	34,125
Bank deposit pledged	**11,093**	–	**–**	–
	82,238	75,253	**6,927**	34,125

For the purposes of the consolidated cash flow statement, the year-end cash and bank balances comprise of the following,

The Group	**2015**	2014
	HK$'000	HK$'000
Cash and bank balances	**82,238**	75,253
Less: Bank deposit pledged	**(11,093)**	–
Cash and short-term deposits	**71,145**	75,253

During the year, the Group deposited HK$11,093,000 with the China Construction Bank, to obtain a banker's guarantee required by the General Administration of Customs People's Republic of China, following a downgrade of its PRC subsidiary's export-grading status.

Cash and bank balances have effective interest rate of 0.4% per annum (2014 - 0.4%) for the financial year ended 31 December 2015.

The bank deposit pledged matures on 29 October 2016, and is non-interest bearing.

8 Share capital

The Company	Par value HK$	Number of ordinary shares ('000)	Amount HK$'000
Authorised:			
At 1 January 2013, 31 December 2013 and 2014	0.01	20,000,000	200,000
Share consolidation	0.49	(19,600,000)	–
At 31 December 2015	**0.50**	**400,000**	**200,000**
Issued and fully paid-up ordinary shares:			
At 1 January and 31 December 2013	0.01	1,352,000	13,520
Rights Issue during the year	0.01	673,000	6,730
At 31 December 2014	0.01	2,025,000	20,250
Share consolidation	0.49	(1,984,500)	–
At 31 December 2015	**0.50**	**40,500**	**20,250**

On 25 May 2015, the Company completed a share consolidation of every fifty (50) ordinary shares with a par value of HK$0.01 each in the authorised and issued capital of the Company into one (1) ordinary share with a par value of HK$0.50. Fractional entitlements are disregarded. Pursuant to the Share Consolidation, the issued share capital of the Company comprises 40,146,193 ordinary shares and 353,800 treasury shares as mentioned in Note 10.

On 17 September 2014, the Company issued 673,000,000 new ordinary shares in the capital of the Company at an issue price of S$0.008 each, pursuant to a renounceable non-underwritten rights issue on the basis of one Rights shares for every two existing ordinary share held by the entitled shareholders. The newly issued shares rank pari passu in all respects with the previously issued shares.

The holders of ordinary shares (excluding treasury shares) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares (excluding treasury shares) rank equally with regard to the Company's residual assets.

9 Reserves

	Note	The Group		The Company	
		2015	2014	**2015**	2014
		HK$'000	HK$'000	**HK$'000**	HK$'000
Share premium	(a)	**197,502**	197,680	**197,502**	197,680
Share option reserve	(b)	**633**	633	**633**	633
Reserve for treasury shares	(c)	**(1,686)**	(1,798)	**(1,686)**	(1,798)
Foreign currency translation reserve	(d)	**(3,302)**	505	**–**	–
Accumulated losses		**(102,919)**	(89,132)	**(60,381)**	(93,014)
		90,228	107,888	**136,068**	103,501

(a) The share premium relates to an amount of HK$90.0 million in connection with the issuance of shares pursuant to its initial public offering on SGX-ST during the financial year ended 31 December 2006, and amounts of HK$82.6 million and HK$25.0 million raised in connection with the Rights Issue exercises carried out during the financial year ended 31 December 2012 and 2014 respectively.

9 Reserves (Cont'd)

(b) Share option reserve represents the equity-settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded on grant of equity-settled share options.

(c) Reserve for treasury shares amounting to HK$1.7 million (2014 - HK$1.8 million) comprises the cost of Company's shares held by the Group. As at 31 December 2015, the Group held 353,800 of the Company's Consolidated Treasury Shares (2014 - 15 million ordinary treasury shares). Please see Note 10 for further details.

(d) Foreign currency translation reserve arises from the translation of financial statements of foreign entities whose functional currencies are different from the presentation currency.

10 Treasury shares

	No. of ordinary shares		Amount	
The Company	**2015**	2014	**2015**	2014
	'000	'000	**HK$'000**	HK$'000
At the beginning of year	**15,000**	6,000	**1,798**	1,234
Share consolidation	**(14,700)**	–	**–**	–
	300	6,000	**1,798**	1,234
Issued during the year	**(46)**	–	**(278)**	–
Repurchased during the year	**100**	9,000	**166**	564
Balance at end of year	**354**	15,000	**1,686**	1,798

The Company acquired 100,000 of its own shares through purchase on the Singapore Exchange during the financial year. The total amount paid to acquire the shares was HK$0.17 million (2014 – HK$0.56 million) and has been deducted from the shareholders' equity. The shares are held as "treasury shares". The Company intends to reissue shares to executives who exercised their share options under the Plastoform Employee Share Option Scheme.

11 Trade and other payables

	The Group		The Company	
	2015	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000
Trade payables	**63,403**	105,036	**–**	–
Other payables and accruals	**14,127**	20,243	**738**	915
Amount due to companies owned by directors (non-trade)	**767**	825	**731**	731
Amount due to subsidiaries (non-trade)	**–**	–	**2,828**	16,506
Financial liabilities at amortised cost	**78,297**	126,104	**4,297**	18,152
Deposits received in advance	**13**	13	**–**	–
	78,310	126,117	**4,297**	18,152

The loans from directors, the amounts due to companies owned by directors and subsidiaries are unsecured, interest-free and repayable on demand.

12 Share-based payment

(a) Employee Share Options

The Company's Employee Share Option Scheme (the "ESOS") was adopted pursuant to written resolution passed on 21 August 2006.

In 2009, 4,500,000 share options are granted to selected employees under the ESOS. The exercise price of the granted options is equal to the market price of the shares less 18% on the date of the grant. Options are conditional on the employee completing two years' service (the vesting period). The options are exercisable starting two years from the grant date; the options have a contractual option term of 8 years. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

The weighted average fair value of options granted during the period determined using the Black-Scholes option pricing model was S$0.045 per option, the significant input into the model were weighted average share price of S$0.045 at the grant date, exercise price as shown above, volatility of 284.5%, dividend yield of 0%, and an annual risk-free interest rate of 1%. The volatility measured at the standard deviation of continuously compounded share return is based on statistical analysis of daily share prices over the last three years.

Movements in the number of share options outstanding and their exercise price are as follows:

	2015		2014	
The Group	**Exercise price per share S$**	**Options (in '000)**	Exercise price per share S$	Options (in '000)
At 1 January	**0.037**	**1,950**	0.037	2,750
Less: Share options expired	**0.037**	**–**	0.037	(800)
Less: Share consolidation of every 50 ordinary shares	**–**	**(1,911)**	–	–
At 31 December	**0.037**	**39**	0.037	1,950

(b) Plastoform Performance Share Plan

The Plastoform Performance Share Plan ("PSP") was approved by the shareholders of the Company on 24 April 2014, in addition to and is complementary to the ESOS and serves as an additional and flexible incentive tool. The PSP is intended to further the Company's continuing efforts to reward, retain and motivate Directors and employees to achieve better performance. The PSP is an incentive plan to provide the Company with the flexibility in tailoring reward and incentive packages to suit individual participants.

The PSP is administered by the Remuneration Committee ("RC").

Subject to the absolute discretion of the RC, the following groups of participants are eligible to participate in the PSP –

12 Share-based payment (Cont'd)

(b) Plastoform Performance Share Plan (Cont'd)

(i) The Group's employees, Executive Directors and Independent Directors; and

(ii) Controlling Shareholders and their Associates who meet certain criteria, provided that the participation of each Controlling Shareholder or his Associate and each grant of share awards to any of them may only be effected with the specific prior approval of independent Shareholders at a general meeting in separate resolutions.

No share awards were granted under PSP since its commencement and during the financial year under reivew.

13 Revenue

The Group	2015 HK$'000	2014 HK$'000
Sale of audio products	**277,277**	452,663
Tooling income	**4,564**	8,528
Total gross revenue	**281,841**	461,191
Sales returns and discounts	**–**	(87)
	281,841	461,104

14 Other operating income

The Group	2015 HK$'000	2014 HK$'000
Bad debts recovered	**10**	–
Gain on liquidation of subsidiaries	**152**	–
Government grant income	**–**	360
Interest income	**48**	22
Reversal of impairment loss on trade receivables	**–**	247
Sale of scrap materials	**330**	652
Forfeiture of resignee salaries	**63**	53
Forfeiture of trade deposits from customers	**–**	472
Sponsorship income	**65**	232
Rental income	**310**	303
Others	**18**	53
	996	2,394

15 (Loss)/Profit before income tax

The Group	2015 HK$'000	2014 HK$'000
(Loss)/profit before income tax is arrived at after charging/(crediting):		
Included under "cost of sales"		
Inventories recognised as an expense in cost of sales	**148,894**	248,119
Carriage inwards	**529**	819
Consumables	**929**	1,671
Depreciation of plant and equipment	**9,229**	1,768
Development expenses and laboratory testing costs	**2,050**	5,080
Insurance	**3,724**	3,898
Operating lease expenses	**2,383**	2,877
Provision for inventory obsolescence	**4,949**	2,397
Sample costs	**1,088**	1,265
Staff costs (Note 16)	**35,529**	46,144
Utilities	**2,655**	3,207
Included under "general and administrative expenses"		
Audit fees paid to:		
- Auditors of the Company		
- Current year	**915**	915
- Under provision in respect of prior year	**38**	308
- Other auditors of the subsidiaries	**582**	1,093
Allowance for impairment loss	**3,342**	–
Bad debts written off	**–**	123
Business and entertainment expenses	**2,329**	1,285
Communication expenses	**701**	892
Depreciation of plant and equipment	**1,839**	2,538
Development expenses and laboratory testing costs	**207**	1,744
Exchange (gain)/loss, net	**(3,034)**	783
Legal & professional fee	**2,889**	3,777
Loss on disposal of plant and equipment	**46**	–
Motor vehicles expenses	**720**	782
Operating lease expenses	**2,411**	3,301
Plant and equipment written-off	**–**	144
Security expenses	**482**	650
Staff costs (Note 16)	**45,041**	50,177
Utilities	**314**	643
Yacht expenses	**240**	304

16 Staff costs

The Group	Cost of sales HK$'000	Included under Selling and distribution HK$'000	General and administrative HK$'000	Total HK$'000
2015				
Directors' remuneration:-				
- Director fees paid to non-executive directors	–	–	902	902
- Salaries, allowances and pension costs paid to Executive Directors	–	–	5,636	5,636
	–	–	6,538	6,538
Key management personnel other than directors:-				
- Salaries and allowances	–	–	3,610	3,610
- Pension costs - defined contribution plans	–	–	88	88
- Termination benefits	–	–	–	–
	–	–	3,698	3,698
Total key management personnel compensation	–	–	10,236	10,236
Employee benefits expense other than directors and other key management:-				
- Salaries and allowances	31,341	4,072	30,996	66,409
- Termination benefits	–	–	369	369
- Social security insurance	4,188	246	3,440	7,874
	35,529	4,318	34,805	74,652
Total	35,529	4,318	45,041	84,888
2014				
Directors' remuneration:-				
- Director fees paid to non-executive directors	–	–	851	851
- Salaries, allowances and pension costs paid to Executive Directors	–	–	5,434	5,434
	–	–	6,285	6,285
Key management personnel other than directors:-				
- Salaries and allowances	–	876	3,713	4,589
- Pension costs - defined contribution plans	–	17	130	147
- Termination benefits	–	284	612	896
	–	1,177	4,455	5,632
Total key management personnel compensation	–	1,177	10,740	11,917
Employee benefits expense other than directors and other key management:-				
- Salaries and allowances	42,246	4,076	33,950	80,272
- Termination benefits	–	87	1,420	1,507
- Provision for long service payments	–	–	1,051	1,051
- Social security insurance	3,898	297	3,016	7,211
	46,144	4,460	39,437	90,041
Total	46,144	5,637	50,177	101,958

17 Income tax expense

Major component of income tax expense

The major components of income tax expense for the year ended 31 December 2015 and 2014 are:

The Group	2015 HK$'000	2014 HK$'000
Income tax (PRC Enterprise Income Tax)		
- Current year	**926**	484
- Under provision in prior years	**45**	215
	971	699

Relationship between tax expenses and (loss)/profit before tax

A reconciliation between tax expense and the product of (loss)/profit before tax multiplied by the applicable tax rate for the financial years ended 31 December 2015 and 31 December 2014 is as follows:-

The Group	2015 HK$'000	2014 HK$'000
(Loss)/profit before income tax	**(10,139)**	7,002
Tax at the applicable domestic tax rates	**(3,911)**	2,046
Tax effects of:		
- Expenses not deductible for tax purposes	**6,408**	3,928
- Income not subject to tax	**(26)**	(53)
- Utilisation of previously unrecognised tax losses	**(1,545)**	(5,437)
- Under provision in respect of prior years	**45**	215
Income tax expense	**971**	699

Expenses not deductible for tax purposes mainly include provision for inventory obsolescence, allowance for impairment losses on trade receivable, expenses recorded by dormant entities within the Group, excess entertainment expenses and staff welfare for PRC subsidiaries.

The Company was incorporated in Bermuda as an exempted company with limited liability under the Companies Act of Bermuda and accordingly, it is exempted from income tax in Bermuda until FY 2016.

Hong Kong profits tax is calculated at a rate of 16.5% (2014 - 16.5%) on the estimated assessable profits arising in or derived from Hong Kong for the financial year.

On 16 March 2007, the National People's Congress of China enacted the Enterprise Income Tax Law of the PRC which took effect on 1 January 2008 (the "New EIT Law"). In accordance with the New EIT Law, a unified Enterprise Income Tax rate of 25% and unified tax deduction standards will be applied equally to both domestic standards will be applied equally to both domestic invested enterprises and wholly foreign-owned enterprises in the PRC. Accordingly, the subsidiaries in the PRC are subjected to applicable EIT rate of 25%.

17 Income tax expense (Cont'd)

Unrecognised tax losses

As at 31 December 2015, the Group has unutilised tax losses of approximately HK$42,867,000 (2014 - HK$52,231,000) that is available for offset against future taxable profit of the companies in which the losses arose, for which no deferred tax asset is recognised because it was not certain that future taxable profits would be available against which the Group could utilise the benefits. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of respective countries in which the companies operate.

18 Operating segments

The directors of the Company review the Group's internal financial reporting and other information and also obtain other relevant external information in order to assess performance and allocate resources. Operating segment is identified with reference to these.

The directors of the Company consider that the business of the Group is organised in one operating segment as the design, production and sale of audio products. Additional disclosure in relation to segment information is not presented as the directors of the Company assess the performance of the sole operating segment identified based on the consistent information as disclosed in the consolidated financial statements.

The total net segment income is equivalent to total comprehensive income for the year as shown in the consolidated statement of comprehensive income and the total segment assets and total segment liabilities are equivalent to total assets and total liabilities as shown in the consolidated statement of financial position. Details of amounts of additions to non-current assets interest income and depreciation expense in relation to the sole operating segment are disclosed below and in Notes 3 and 15 respectively.

Revenue by geographical area of principal markets determined on the basis of destination of delivery or products:

	2015	2014
Revenue	**HK$'000**	HK$'000
The Group		
United States of America	**162,413**	287,701
Hong Kong	**68,590**	1,316
Europe	**32,073**	168,595
Australia	**3,026**	–
Singapore	**2,296**	464
Others	**13,443**	3,028
Total revenue	**281,841**	461,104

18 Operating segments (Cont'd)

The Company is domiciled in Bermuda with the Group's major operations in Hong Kong Special Administrative Region ("HK SAR") and Peoples' Republic of China (PRC). The Group's non-current assets comprising plant and equipment by geographical area is summarised below:-

Non-current asset – Plant and equipment	2015 HK$'000	2014 HK$'000
Hong Kong	**739**	871
PRC	**8,210**	16,677
United States of America	**3**	34
Total	**8,952**	17,582

Revenue from customers contributing over 10% of total sales of the Group is as follows:

Customer	2015 HK$'000	2014 HK$'000
The Group		
Customer A	**71,937**	139,660
Customer B	**67,084**	106,315
Customer C	**30,315**	43,985

19 (Loss)/Earnings per share

The Group	2015 HK$'000	2014 HK$'000
Basic (loss)/earnings per share is based on:		
(Loss)/Profit attributable to equity holders of the Company	**(11,110)**	6,303

	Number of shares ('000)	
The Group	2015	2014 (Restated)
Issued ordinary shares at beginning of year	**40,500**	27,040
Effects of shares issued under Rights Issue	**-**	4,410
Weighted average number of ordinary shares	**40,500**	31,450

Basic (loss)/earnings per share is calculated by dividing the Group's (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year. The denominators used are the same in the computation of the basic (loss)/ earnings per share.

The Group	2015 HK$'000	2014 HK$'000
Diluted (loss)/earnings per share is based on:		
(Loss)/Profit attributable to equity holders of the Company	**(11,110)**	6,303

19 (Loss)/Earnings per share (Cont'd)

For the purpose of calculating diluted (loss)/earnings per share, the weighted average number of ordinary shares in issue is adjusted to take into account the dilutive effect arising from the dilutive share options with the potential ordinary shares weighted for the period outstanding.

The effect of the exercise of share options on the weighted average number of ordinary shares in issue is as follows:

	Number of shares ('000)	
The Group	**2015**	2014 (Restated)
Weighted average number of shares issued, used in calculation of basic earnings per share	**40,500**	31,450
Potential ordinary shares issuable under share options	**39**	39
Weighted average number of ordinary shares issued and potential shares assuming full conversion	**40,539**	31,489

The denominators used are the same in the computation of the (loss)/basic earnings per share. There are no anti-dilutive options for the year ended 31 December 2014 and 2015.

Note: On 25 May 2015, the Company completed a share consolidation of every fifty (50) ordinary shares with a par value of HK$0.01 each in the authorised and issued capital of the Company into one (1) Consolidated Share. Pursuant to the Share Consolidation, the issued share capital of the Company comprises 40,146,193 and 353,800 treasury shares.

The basic and diluted (loss)/ earnings per share of all periods presented shall be adjusted for the effects from share consolidation accounted for retrospectively. Upon the share consolidation becoming effective, issued number of shares of 2,025,000,000 were consolidated into 40,500,000 Consolidated Shares.

The number of ordinary shares and (loss)/ earnings per share for financial year ended 31 December 2014 are restated for the effect of the share consolidation.

20 Commitments

Where the Group is the lessee

As at 31 December 2015, the Group has commitment for future minimum lease payment under non-cancellable operating leases for its production factory and office premise in PRC and Hong Kong as follows:

	2015	2014
The Group	**HK$'000**	HK$'000
Not later than 1 year	**2,999**	5,485
Later than 1 year and no later than 5 years	**2,006**	4,499
Total	**5,005**	9,984

20 Commitments (Cont'd)

Where the Group is the lessor

As at 31 December 2015, the Group had the following rental income receivable under non-cancellable operating lease for its factory premise in PRC as follows:

The Group	2015 HK$'000	2014 HK$'000
Not later than 1 year	293	312
Later than 1 year and no later than 5 years	220	546
Total	513	858

21 Significant related party transactions

In the normal course of business, the Group purchases services from related parties. Significant transactions with related parties, other than those disclosed elsewhere in the financial statements are as follows:

The Group	2015 HK$'000	2014 HK$'000
Related parties (companies owned by the directors of the Company)		
Office rental expenses	561	608
Retainer fee	214	237

22 Financial risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects of unpredictability of financial markets on the Group's financial performance.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all the employees understand their roles and obligations.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks. Market risk exposures are measured using sensitivity analysis indicated below.

The Group does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange.

22 Financial risk management objectives and policies (Cont'd)

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss. The Group's exposure to credit risk arises primarily from trade and other receivables. For trade receivables, the Group adopts the practice of dealing only with those customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

The Group's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure.

The Group has established a credit policy under which the creditworthiness of each new customer is evaluated individually before the Group grants credit to the customer. Credit limits are established for each customer, which represents the maximum open amount without requiring approval from the directors. Payments will be required to be made upfront by customers, which do not meet the Group's credit requirements.

Amounts due from customers are closely monitored and reviewed on a regular basis to identify any non-payment or delay in payment, and to understand the reasons, so that appropriate actions can be taken promptly. Through ongoing credit monitoring and existing collection procedures in place, credit risk is mitigated substantially.

The Group evaluates whether there is any objective evidence that trade and other receivables are impaired, and determines the amount of impairment loss as a result of the inability of the debtors to make required payments. The Group bases the estimates on the ageing of the receivable balances, creditworthiness of the debtors and historical write-off experience. If the financial conditions of the debtors were to deteriorate, actual write-offs would be higher than estimated.

Amount not paid after the credit period granted will be considered past due. The credit terms granted to customers are based on the Group's assessment of their creditworthiness and in accordance with the Group's policy.

In determining the recoverability of trade and other receivables, the Group considers any change in the credit quality of the trade and other receivables from the date credit was initially granted up to the end of each reporting period.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

22 Financial risk management objectives and policies (Cont'd)

Credit risk (Cont'd)

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group focuses on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Exposure to credit risk

At the balance sheet date, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheets as disclosed in Note 6 to the financial statements.

Credit risk concentration profile

As at 31 December 2015, the Group has concentration of credit risk of approximately 37% (2014 - 41%) and 64% (2014 - 79%) of the Group's trade receivables from the Group's largest customer and the three largest customers respectively.

Financial assets that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and cash equivalents are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

22 Financial risk management objectives and policies (Cont'd)

Liquidity risk (Cont'd)

The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows:

The Group	Carrying amount RMB'000	Contractual cash flows RMB'000	Less than 1 year RMB'000	Between 1 and 5 years RMB'000
2015				
Financial liabilities				
Trade and other payables	**78,297**	**78,297**	**78,297**	**–**
Tax payables	**587**	**587**	**587**	**–**
Total undiscounted financial liabilities	**78,884**	**78,884**	**78,884**	**–**
2014				
Financial liabilities				
Trade and other payables	126,104	126,104	126,104	–
Tax payables	479	479	479	–
Total undiscounted financial liabilities	126,583	126,583	126,583	–
The Company				
2015				
Financial liabilities				
Trade and other payables	**4,297**	**4,297**	**4,297**	**–**
Total undiscounted financial liabilities	**4,297**	**4,297**	**4,297**	**–**
2014				
Financial liabilities				
Trade and other payables	18,152	18,152	18,152	–
Total undiscounted financial liabilities	18,152	18,152	18,152	–

The Group and the Company ensure that there are adequate funds to meet all its obligations in a timely and cost-effective manner. The Group and the Company maintain sufficient level of cash and bank balances to meet their working capital requirements.

The State Administration of Foreign Exchange of the PRC imposes certain control over foreign currencies. Enterprises operating in the PRC can enter into exchange transactions through the People's Bank of China or other authorised financial institutions.

Exchanges of Renminbi for foreign currency must be arranged through the People's Bank of China or other authorised financial institutions. Approval for exchanges at the People's Bank of China or other authorised financial institutions is granted to enterprises in the PRC for valid reasons such as purchase of imported materials and remittance of earnings. While conversion of Renminbi into foreign currencies can generally be effected at the People's Bank of China or other authorised financial institutions, there is no guarantee that it can be effected at all times.

22 Financial risk management objectives and policies (Cont'd)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from its bank balances at floating rates which are contractually repriced at intervals of less than 6 months (2014 – less than 6 month) from the end of the reporting period. All other financial assets and liabilities are interest-free. Therefore, impact from changes in interest rates is minimal.

The Group's and the Company's policy is to obtain the most favourable interest rates available without increasing its interest rate exposure.

Foreign currency risk

Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the Group's functional currency. The Group is exposed to foreign currency risk arising from various currency exposures, primarily with respect to the United States dollars in which substantially all of the Group's sales are denominated in and Renminbi for the purchase of raw materials used in the production process in the Peoples' Republic of China.

As the Hong Kong dollars are pegged to the United States dollars, the directors of the Company consider that any reasonably possible changes in the United States dollars exchange rate would not have a material effect on the Group's results and equity. At the reporting date, the Group holds cash and bank balances denominated in Renminbi, Singapore dollars and Euros as well as trade and other receivables, balances payables to suppliers and tax payable that are denominated in Renminbi.

The Group's exposures in financial instruments to Renminbi, Euros and Singapore dollars are mainly as follows:

The Group	S$ HK$'000	Euro HK$'000	Renminbi HK$'000	Total HK$'000
At 31 December 2015				
Trade and other receivables	**296**	**–**	**8,799**	**9,095**
Cash and bank balances	**1,442**	**110**	**18,342**	**19,894**
Trade and other payables	**(4)**	**(5)**	**(62,183)**	**(62,192)**
Tax payables	**–**	**–**	**(587)**	**(587)**
Net exposure	**1,734**	**105**	**(35,629)**	**(33,790)**
At 31 December 2014				
Trade and other receivables	55	336	13,778	14,169
Cash and bank balances	15,091	232	5,782	21,105
Trade and other payables	–	(11)	(79,819)	(79,830)
Tax payables	–	–	(479)	(479)
Net exposure	15,146	557	(60,738)	(45,035)

22 Financial risk management objectives and policies (Cont'd)

Foreign currency risk (Cont'd)

Sensitivity analysis
A 10 per cent strengthening of Renminbi, Euros, and Singapore dollars against Hong Kong dollars would have decrease profit before tax by HK$3.4 million (2014 - profit before tax by HK$4.5 million). A 10% weakening of Renminbi, Euros, and Singapore dollars against Hong Kong dollars would have had the equal but opposite effect on statement of comprehensive income. This analysis assumes that all other variables, in particular interest rate remains constant.

Market price risk

The Group is exposed to price fluctuations of raw materials used in the production of the Group's products, which are influenced by regional supply and demand conditions. Price fluctuations of raw materials could adversely affect the Group's financial performance. The Group historically has not entered into any derivative instruments to hedge the potential price change.

Fair values

The carrying amount of financial assets and liabilities with a maturity of less than one year is assumed to approximate their fair values. However, the Group does not anticipate that the carrying amounts recorded at the end of the reporting period would be significantly different from the values that would eventually be received or settled.

The face value less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year, comprising trade and other receivables, cash and cash equivalents, and trade and other payables are assumed to approximate their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

	2015	2014
The Group	**HK$'000**	HK$'000
Loans and receivables		
Trade and other receivables (Note 6)	**60,928**	100,088
Cash and cash equivalents (Note 7)	**82,238**	75,253
	143,166	175,341
Financial liabilities at amortised cost		
Trade and other payables (Note 11)	**78,297**	126,104
The Company		
Loans and receivables		
Trade and other receivables (Note 6)	**74,983**	25,034
Cash and cash equivalents (Note 7)	**6,927**	34,125
	81,910	59,159
Financial liabilities at amortised cost		
Trade and other payables (Note 11)	**4,297**	18,152

23 Capital management

The Group's and the Company's objectives when managing capital are:

(a) To safeguard the Group's and the Company's ability to continue as going concern;

(b) To support the Group's and the Company's stability and growth;

(c) To provide capital for the purpose of strengthening the Group's and the Company's risk management capability; and

(d) To provide an adequate return to shareholders.

The Group and the Company actively and regularly review and manage their capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and the Company and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group and the Company currently do not adopt any formal dividend policy.

The Group and the Company monitor capital using capital net debt ratio, which is net debt divided by total capital plus debt. The Group and the Company include within net debt, trade and other payables, and tax payables, less cash and short-term deposits. Capital includes equity attributable to the owners of the Company.

	The Group		The Company	
	2015	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000
Trade and other payables (Note 11)	**78,310**	126,117	**4,297**	18,152
Tax payable	**587**	479	**–**	–
Cash and cash equivalents (Note 7)	**(82,238)**	(75,253)	**(6,927)**	(34,125)
Net Debt / (Cash)	**(3,341)**	51,343	**(2,630)**	(15,973)
Equity attributable to the owners of the Company				
Total capital	**110,478**	128,138	**156,318**	123,751
Capital net debt	**N.A.**	179,481	**N.A.**	N.A.
Capital net debt ratio	**N.A.**	29%	**N.A.**	N.A.

There were no changes in the Group's and the Company's approach to capital management during the financial year.

24 Other matter

The Hong Kong Customs and Excise Department (the "HK Customs") visited the Company's Hong Kong office located at Kwai Chung on 20 October 2015 for the investigation of suspicious unauthorised use of computer software in business. Certain Company's computers were detained by the HK Customs for further investigation. As at the balance sheet date, the investigation by the HK Customs is still ongoing and accordingly, no provision has been made for this amount in the financial statements as no reliable estimate can be made of the amount of the obligation.

25 Reclassification

The following reclassification was made to the consolidated statement of financial position as at 31 December 2015:

2014	As reported HK$'000	Reclassification HK$'000	As restated HK$'000
Non-current asset			
Intangible asset	–	690	690
Current asset			
Prepayment	1,989	(690)	1,299

26 Subsequent event

Subsequent to year end, the board of directors proposes a final dividend of HK$0.0665 per ordinary share subject to the shareholders' approval of the dividend at the upcoming Annual General Meeting to be held on 28 April 2016.

Class of shares	:	Ordinary shares of HK$0.50 each
Authorised share capital	:	HK$200,000,000
Issued and fully paid-up capital (including Treasury Shares)	:	HK$20,249,996.50
Issued and fully paid-up capital (excluding Treasury Shares)	:	HK$20,073,096.50
No. of Issued Shares (Excluding Treasury Shares)	:	40,146,193
Number / Percentage of Treasury Shares	:	353,800 (0.88%)
Voting rights	:	One vote per share

STATISTICS OF SHAREHOLDINGS

Size of Shareholdings	No of Shareholders	%	No of Shares	%
1 - 99	114	11.07	4,325	0.01
100 - 1,000	368	35.73	176,550	0.44
1,001 - 10,000	406	39.42	1,697,790	4.23
10,001 - 1,000,000	136	13.20	10,717,180	26.69
1,000,001 and above	6	0.58	27,550,348	68.63
Total	1,030	100.00	40,146,193	100.00

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

Name	Direct Interest	%	Deemed Interest	%
Konkin Limited	11,895,750	29.63	–	–
Chiu Kwong Fai (Note 1)	3,000,000	7.47	11,895,750	29.63
Tse Kin Man (Note 1)	3,000,000	7.47	11,895,750	29.63
Winmark Investments Pte Ltd	4,300,000	10.71	–	–
Tan Tien Hin, Wiston (Note 2)	–	–	4,300,000	10.71
Amy Lim Sioh Tin (Note 2)	–	–	4,300,000	10.71
Ang Kong Hua (Note 3)	2,457,748	6.12	2,010,000	5.01

Notes -

1. Tse Kin Man and Chiu Kwong Fai are deemed to be interested in the shares held by Konkin Limited ("Konkin") by virtue of their shareholdings of 50% each in Konkin.

2. Tan Tien Hin, Winston and Amy Lim Sioh Tin are deemed to be interested in the share held by Winmark Investments Pte. Ltd. ("Winmark") by virtue of their shareholdings of 50% each in Winmark.

3. Ang Kong Hua has deemed interested in 2,010,000 shares held by Raffles Nominees (Pte) Ltd.

Shareholdings Statistics

As at 10 March 2016

TWENTY LARGEST SHAREHOLDERS AS AT 10 MARCH 2016

No.	Name	No. of Shares	%
1	KONKIN LIMITED	11,895,750	29.63
2	WINMARK INVESTMENTS PTE LTD	4,300,000	10.71
3	CHIU KWONG FAI	3,000,000	7.47
4	TSE KIN MAN	3,000,000	7.47
5	RAFFLES NOMINEES (PTE) LTD	2,896,850	7.22
6	ANG KONG HUA	2,457,748	6.12
7	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	933,240	2.32
8	DBS NOMINEES PTE LTD	917,640	2.29
9	OCBC SECURITIES PRIVATE LTD	843,440	2.10
10	CHUA KENG LOY	766,300	1.91
11	TAN YONG HUI,BRIAN (CHEN YONGHUI BRIAN)	515,000	1.28
12	CITIBANK NOMINEES SINGAPORE PTE LTD	432,660	1.08
13	GOH GEOK LING	400,060	1.00
14	MAYBANK KIM ENG SECURITIES PTE LTD	399,178	0.99
15	DBS VICKERS SECURITIES (S) PTE LTD	340,880	0.85
16	TENGKU SINANNAGA @ CHENG MIN SIONG @ ZENG MING XIONG	260,000	0.65
17	HSBC (SINGAPORE) NOMINEES PTE LTD	249,000	0.62
18	P'NG CHIN GUAN	229,000	0.57
19	CHAN CHEE MENG	172,000	0.43
20	GOH TCHENG HION	165,020	0.41
		34,173,766	85.12

PERCENTAGE OF SHAREHOLDERS IN PUBLIC'S HANDS

Approximately 33.4% of the Company's shares are held in the hands of public. Accordingly, the Company had complied with Rule 723 of the Listing Manual of the SGX-ST.

NOTICE IS HEREBY GIVEN that the Annual General Meeting of **PLASTOFORM HOLDINGS LIMITED** ("**the Company**") will be held at Grand Mercure Roxy Hotel, 50 East Coast Road, Roxy Square, Amber Room, Level 3, Singapore 428769 on Thursday, 28 April 2016 at 10.30 am for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Financial Statements of the Company for the year ended 31 December 2015 together with the Auditors' Report thereon. **(Resolution 1)**

2. To declare a final dividend of HK$0.0665 per share (tax not applicable) for the year ended 31 December 2015 (2014: HK$0.00133 per share). **(Resolution 2)**

3. To re-elect the following Directors of the Company retiring pursuant to Bye-Law 86(1) of the Company's Bye-Laws:

   Mr Chiu Kwong Fai **(Resolution 3)**
   Mr Khor Peng Soon **(Resolution 4)**

   Mr Khor Peng Soon will, upon re-election as a Director of the Company, remain as Chairman of the Audit Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

4. To approve the payment of Directors' fees of S$160,000 for the year ended 31 December 2015 (2014: S$140,000). **(Resolution 5)**

5. To re-appoint Foo Kon Tan LLP as the Company's Auditors and to authorise the Directors to fix their remuneration. **(Resolution 6)**

6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

7. **Authority to allot and issue shares up to 50 percent (50%) of issued shares**

   That pursuant to the Companies Act of Bermuda and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Directors of the Company be authorised and empowered to:

   (a) (i) issue shares in the Company ("shares") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

(1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per cent. (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed twenty per cent. (20%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares) shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of any convertible securities;

(b) new shares arising from the exercise of share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

(c) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Bye-Laws of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (i)] **(Resolution 7)**

8. **Authority to allot and issue shares under the Plastoform Employees' Share Option Scheme**

That the Directors of the Company be authorised and empowered to grant options in accordance with the provisions of the Plastoform Employees' Share Option Scheme ("Scheme") and to issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options granted by the Company under the Scheme, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the Scheme shall not exceed fifteen per cent. (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (ii)] **(Resolution 8)**

9. **Authority to grant awards and allot and issue shares under the Plastoform Performance Share Plan**

That the Directors be authorised and empowered to grant awards ("Awards") in accordance with the provisions of the Plastoform Performance Share Plan ("Plan") and pursuant to the Companies Act of Bermuda and Rule 845 of the Listing Manual of the Singapore Exchange Securities Trading Limited, to allot and issue from time to time such number of fully paid-up shares in the capital of the Company as may be required to be issued pursuant to the vesting of Awards provided that the aggregate number of shares to be issued or issuable pursuant to the Plan and any other share based schemes of the Company shall not exceed fifteen per cent. (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (iii)] **(Resolution 9)**

10. **Renewal of Share Buy-Back Mandate**

That for the purposes of the Companies Act of Bermuda and otherwise in accordance with the rules and regulations of The Singapore Exchange Securities Trading Limited, the Directors of the Company be and are hereby authorised –

(a) to make purchases or otherwise acquire issued shares in the capital of the Company from time to time (whether by way of market purchases or off-market purchases on an equal access scheme) of up to ten percent (10%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as ascertained as at the date of this Annual General Meeting of the Company) at the price of up to but not exceeding the Maximum Price as defined in the Appendix to the Annual Report 2015 accompanying this Notice, and that this mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier; and

(b) to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.
[See Explanatory Note (iv)] **(Resolution 10)**

By Order of the Board
Liu Wai Man
Cheng Lisa

Company Secretaries
Singapore, 31 March 2016

Explanatory Notes:

(i) The Ordinary Resolution 7 proposed in item 7 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to 20% may be issued other than on a pro rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares) will be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Ordinary Resolution is passed, after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed, and any subsequent bonus issue, consolidation or subdivision of shares.

(ii) The Ordinary Resolution 8 proposed in item 8 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted or to be granted under the Scheme. The aggregate number of shares which may be issued pursuant to the Scheme Company may have in place shall not exceed 15% of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time.

(iii) The Ordinary Resolution 9 proposed in item 9 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is earlier, to grant Awards in accordance with the provisions of the Plan and allot and issue fully-paid shares in the Company as may be required to be issued pursuant to the vesting of Awards under the Plan. The aggregate number of shares which may be issued pursuant to the Share Plan and any other share scheme which the Company may have in place shall not exceed fifteen per cent. (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time.

(iv) The Ordinary Resolution 10 proposed in item 10 above, if passed, will empower the Directors from the date of the above Meeting until the next Annual General Meeting to purchase ordinary shares of the Company by way of market purchases or off-market purchases of up to ten percent (10%) of the total number of issued shares (excluding treasury shares) in the capital of the Company at the Maximum Price. Information relating to this proposed Resolution are set out in the Appendix to the Annual Report 2015 accompanying this Notice.

Notes:

1. A Shareholder being a Depositor whose name appears in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50 of Singapore) is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a Member of the Company.

2. If a Depositor wishes to appoint a proxy/proxies to attend the Annual General Meeting (the "Meeting"), then he/she must complete and deposit the Depositor Proxy Form at the office of the Singapore Share Transfer Agent, B.A.C.S. Private Limited, 8 Robinson Road #03-00, ASO Building, Singapore 048544, at least forty-eight (48) hours before the time of the Meeting.

3. If the appointor is a corporation, the instrument appointing a proxy must be executed under seal or the hand of its duly authorised officer or attorney.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

PlastoForm
Holdings Limited