PLASTOFORM HOLDINGS LIMITED

(Incorporated in Bermuda)
(Co. Reg. No: 34171)

UNAUDITED RESULTS FOR THE QUARTER ENDED 31 MARCH 2015

The Directors of Plastoform Holdings Limited wish to announce the following unaudited results of the Group for the quarter ended 31 March 2015

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Profit or Loss (in HK$'000)

	Group		
	Three Months Ended 31 March		
	2015	2014	**%**
Revenue	**66,619**	87,809	(24.1%)
Cost of sales	**(52,879)**	(71,979)	(26.5%)
Gross profit	**13,740**	15,830	(13.2%)
Other operating income	**156**	708	(78.0%)
Selling and distribution expenses	**(4,230)**	(4,580)	(7.6%)
Other operating expenses	**(15,958)**	(16,686)	(4.4%)
Loss before income tax	**(6,292)**	(4,728)	33.1%
Income tax expense	**(303)**	-	N/M
Loss for the period	**(6,595)**	(4,728)	39.5%
Other comprehensive income:			
Foreign currency translation differences	**(173)**	(1,411)	(87.7%)
Total comprehensive income	**(6,768)**	(6,139)	10.2%

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

	Group		
	Three Months Ended 31 March		
	2015	2014	**%**
	HK$'000	HK$'000	Change
Interest income	**(6)**	**(1)**	N/M
Depreciation of plant and equipment	**1,254**	**958**	30.9%
Net exchange loss/ (gains)	**(752)**	**195**	N/M

N/M: Not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Statements of Financial Position (in HK$'000)

	Note	Group		Company	
		31/3/2015	31/12/2014	**31/3/2015**	31/12/2014
		HK$'000	HK$'000	**HK$'000**	HK$'000
ASSETS					
Non-current assets					
Plant and equipment		**16,541**	17,582	**-**	-
Investments in subsidiaries		**-**	-	**82,608**	82,608
		16,541	17,582	**82,608**	82,608
Current assets					
Inventories		**46,683**	49,069	**-**	-
Trade receivables		**53,330**	96,126	**-**	-
Deposits, prepayments and other receivables		**10,713**	16,704	**168**	136
Amount due from subsidiaries			-	**30,200**	25,034
Cash and cash equivalents		**78,458**	75,253	**25,744**	34,125
		189,184	237,152	**56,112**	59,295
Total assets		**205,725**	254,734	**138,720**	141,903
Current liabilities					
Trade payables		**63,137**	105,036	**-**	-
Other payables and accruals		**20,196**	20,350	**276**	915
Amount due to subsidiaries		**-**	-	**16,506**	16,506
Amount due to ultimate holding company		**731**	731	**731**	731
Tax payable		**291**	479	**-**	-
		84,355	126,596	**17,513**	18,152
Net current assets		**104,829**	110,556	**38,599**	41,143
Net assets		**121,370**	128,138	**121,207**	123,751
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital		**20,250**	20,250	**20,250**	20,250
Share premium		**197,680**	197,680	**197,680**	197,680
Treasury share		**(1,798)**	(1,798)	**(1,798)**	(1,798)
Share option reserve		**633**	633	**633**	633
Foreign exchange translation reserve		**332**	505	**-**	-
Accumulated losses		**(95,727)**	(89,132)	**(95,558)**	(93,014)
Total equity		**121,370**	128,138	**121,207**	123,751

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:

Amount repayable in one year or less, or on demand

As at 31/3/2015		As at 31/12/2014	
Secured	Unsecured	Secured	Unsecured
HK$'000	HK$'000	HK$'000	HK$'000
Nil	Nil	Nil	Nil

Amount repayable after one year

As at 31/3/2015		As at 31/12/2014	
Secured	Unsecured	Secured	Unsecured
HK$'000	HK$'000	HK$'000	HK$'000
Nil	Nil	Nil	Nil

Details of any collateral

Not applicable.

1(c) A statement of cash flows for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flows (in HK$'000)

	Group	
	Three Months Ended	
	31/3/2015	31/3/2014
	HK$'000	HK$'000
Cash flows from operating activities		
Loss before income tax	**(6,292)**	(4,728)
Adjustment for:		
Depreciation of plant and equipment	**1,254**	958
Provision for slow-moving stock	**821**	-
Interest income	**(6)**	(1)
Operating cash flows before working capital changes	**(4,223)**	(3,771)
Changes in working capital:		
Inventories	**1,565**	12,766
Trade and other receivables	**48,787**	37,097
Trade and other payables	**(42,053)**	(49,290)
Tax paid	**-**	(1,773)
Net cash generated from/ (used in) operating activities	**4,076**	(4,971)
Cash flow from investing activities		
Purchases of plant and equipment	**(419)**	(3,439)
Interest received	**6**	1
Net cash used in investing activities	**(413)**	(3,438)
Cash flow from financing activities		
Repayment of directors' loans	**-**	(1,000)
Net cash used in financing activities	**-**	(1,000)
Net increase/ (decrease) in cash and cash equivalents	**3,663**	(9,409)
Effect of cash and cash equivalent denominated in foreign currencies	**(458)**	(1,202)
Cash and cash equivalents at beginning of the period	**75,253**	42,788
Cash and cash equivalents at end of the period	**78,458**	32,177

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENT OF CHANGES IN EQUITY (in HK$'000)

Group – 1Q 15	Share capital	Share premium	Treasury share	Share options reserve	Translation reserve	Accumulated losses	Total equity
	HK$'000	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**
For the three months ended 31 March 2015							
Balance as at 1 January 2015	20,250	197,680	(1,798)	633	505	(89,132)	128,138
Loss for the period	-	-	-			(6,595)	(6,595)
Other comprehensive income for the period	-	-	-	-	(173)	-	(173)
Balance at 31 March 2015	**20,250**	**197,680**	**(1,798)**	**633**	**332**	**(95,727)**	**121,370**
Group – 1Q14							
For the three months ended 31 March 2014							
Balance as at 1 January 2014	13,520	172,697	(1,234)	(2,521)	676	(100,658)	82,480
Loss for the period	-	-	-	-	-	(4,728)	(4,728)
Other comprehensive income for the period	-	-	-	(1,411)	-	-	(1,411)
Balance at 31 March 2014	**13,520**	**172,697**	**(1,234)**	**(3,932)**	**676**	**(105,386)**	**76,341**

Company – 1Q15	Share capital	Share premium	Treasury Share	Share option reserve	Accumulated losses	Total equity
	HK$'000	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**
For the three months ended 31 March 2015						
Balance as at 1 January 2015	20,250	197,680	(1,798)	633	(93,014)	123,751
Loss for the period	-	-	-	-	(2,544)	(2,544)
Balance at 31 March 2015	**20,250**	**197,680**	**(1,798)**	**633**	**(95,558)**	**121,207**
Company – 1Q14						
For the three months ended 31 March 2014						
Balance as at 1 January 2014	13,520	172,697	(1,234)	676	(81,887)	103,772
Loss for the period	-	-	-	-	(3,364)	(3,364)
Balance at 31 March 2014	**13,520**	**172,697**	**(1,234)**	**676**	**(85,251)**	**100,408**

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.
State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

As at 31 March 2015, the Company's issued capital is 2,025,000,000 shares of HK$0.01 each. There was no change in the Company's share capital between 31 December 2014 and 31 March 2015.

The numbers of shares that may be issued on conversion of all outstanding options under performance share plan were as follows:-

	As at 31/3/2015	As at 31/12/2014
Outstanding options	1,950,000	1,950,000

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares as at 31 March 2015 was 2,010,000,000 (31 March 2014: 1,346,000,000), excluding 15,000,000 treasury shares (31 March 2014: 6,000,000).

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not Applicable.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's external auditor.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

There are a number of new or revised International Financial Reporting Standards and related interpretations (collectively referred to as the "new IFRSs") that are effective for accounting periods beginning on or after 1 January 2015. The adoption of these new IFRSs did not have any material impact on the financial information of the Group for period ended 31 March 2015. Save as aforesaid, the accounting policies and methods of computation used in the preparation of the financial information of the Group for the period ended 31 March 2015 are the same as those used in the annual financial statements of the Group for the year ended 31 December 2014.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group adopted the new or amended IFRS and IFRICS that are mandatory for application for financial periods beginning on or after 1 January 2015. The adoption of these new/revised IFRS and IFRICS did not result in substantial changes to the Group's accounting policies nor any significant impact on the consolidated financial statements.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group	
	1Q2015	**1Q2014**
Earnings per ordinary share based on the net profit for the period		
(a) Based on weighted average number of ordinary shares on issue (HK$ cents);	(0.33)	(0.35)
(b) On a fully diluted basis (HK$ cents)	(0.33)	(0.35)
Number of ordinary shares in issue (excluding treasury shares)		
Weighted average number of ordinary shares for the purpose of basic earnings per share	2,010,000,000	1,346,000,000
Effective of potentially dilutive ordinary shares – Share options	1,950,000	2,150,000
Weighted average number of ordinary shares for the purpose of diluted earnings per share	2,011,950,000	1,348,150,000

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	31/3/2015	**31/3/2014**	**31/3/2015**	**31/3/2014**
Net asset value per ordinary share based on issued share capital (HK$ cents)	6.04	5.67	6.03	7.46
Number of ordinary shares in issue excluding treasury shares	2,010,000,000	1,346,000,000	2,010,000,000	1,346,000,000

Net asset value per ordinary share at the end of the financial periods presented has been computed based on the combined net assets of the Group as at the respective reporting period and the number of ordinary shares at 31 December 2014 of 2,010,000,000 shares (31 December 2013: 1,346,000,000 shares).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable)seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Turnover

Turnover decreased by 24.1% or HK$21.2 million from HK$87.8 million in 1Q 2014 to HK$66.6 million in 1Q 2015. The decrease was mainly due to reduction of demand within our product mix during the quarter.

Gross profit and margin

Gross profit decreased by HK$2.1 million from HK$15.8 million in 1Q 2014 to HK$13.7 million in 1Q 2015 and the overall gross profit margin improved by 2.6% from 18.0% in 1Q 2014 to 20.6% in 1Q 2015. As compared to 1Q 2014, gross profit margin improvement was due to better material control.

Other operating income

The decrease in other operating income was mainly due to a reduction in sales of scrap material.

Selling and distribution expenses

Selling and distribution expenses decreased by 7.6% or HK$0.4 million from HK$4.6 million in 1Q 2014 to HK$4.2 million in 1Q 2015 mainly due to decreased transportation costs in line with lower sales.

Other operating expenses

Other operating expenses decreased by 4.4% or HK$0.7 million from HK$16.7 million in 1Q 2014 to HK$16.0 million in 1Q 2015 mainly due to the exchange gain from RMB's depreciation against US dollars in 1Q 2015.

Loss before income tax

Loss before income tax increased by HK$1.6 million from HK$4.7 million in 1Q 2014 to HK$6.3 million in 1Q 2015, mainly due to the decrease in sales.

Financial Position

Inventories decreased by HK$2.4 million from HK$49.1 million as at 31 December 2014 to HK$46.7 million as at 31 March 2015 due to better inventory management.

Trade receivables decreased by HK$42.8 million from HK$96.1 million as at 31 December 2014 to HK$53.3 million as at 31 March 2015, mainly due to a decrease in sales and the collection of payment from a major customer in 1Q 2015.

Deposits, prepayments and other receivables decreased by HK$6.0 million from HK$16.7 million at 31 December 2014 to HK$10.7 million at 31 March 2015 mainly due to decrease of VAT receivable, in line with lower material purchases in this quarter.

Trade payables decreased by HK$41.9 million from HK$105.0 million at 31 December 2014 to HK$63.1 million at 31 March 2015 mainly due to lower material purchases in this quarter.

Statement of Cash Flows

Net cash generated from operating activities increased by HK$9.1 million from HK$5.0 million outflow in 1Q 2014 to HK$4.1 million inflow in 1Q 2015, mainly due to better receivable collections.

Net cash used in investing activities decreased by HK$3.0 million from HK$3.4 million in 1Q 2014 to HK$0.4 million in 1Q 2015 due to less investment in tooling and equipment.

As at 31 March 2015, the Group has cash and cash equivalents of HK$78.5 million (31 December 2014: HK$75.3 million) with no bank borrowings (FY2014: HK$Nil).

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

While the company has not provided any prospect statement the overall market remains competitive and exhibits growth consistent with expectations.

10. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The overall market for wireless audio continues its growth. Annual shipments of wireless audio products, including speakers, soundbars, and AV receivers are expected to grow at a CAGR of 88%, from 1.5 million units in 2010 to nearly 66 million units in 2018. At the same time, intense competition remains as consumer electronics companies work to penetrate this market segment as their traditional businesses mature. The global wireless audio market consists of a small number of tier 1 brands, a larger number of tier 2 brands, and a very large number of tier 3 commodity brands sold directly on the internet. The established and growing tier 1 and 2 brands are customers or target customers for the Group's business. Also, the Group is starting to penetrate reseller channels in the US, EU, Canada and Mexico with its own complementary portfolio.

During 1Q 2015, in addition to experiencing the normal cyclical reduction in orders from the Group's traditional customers, several tier 1 brands restructured their production arrangements, which reduced the Group's revenue. Also, a number of customers pushed back launch dates or changed their assortment plans, which reduced the anticipated revenue in the quarter. These additional and unanticipated factors negatively impacted the Group's revenue, leading to unsatisfactory quarterly results.

The Group is focused on implementing countermeasures to offset these negative factors, with a clear objective of returning the Group to profitability as quickly as possible.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Nil

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Nil

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared for the first quarter ended 31 March 2015.

13. Interested Person Transactions ("IPTs")

The Company does not have a Shareholders' Mandate for Interested Person Transactions. There were no interested person transactions with amount exceeding S$100,000 during 1Q2015.

14. Negative assurance confirmation on interim financial results under Rule 705 (5) of the SGX-ST.

The directors of the Company confirm that to the best of their knowledge, nothing has come to their attention which may render the 1Q 2015 financial results to be false or misleading, in any material aspect.

15. The use of net proceeds raised from rights issue

To date, the Group has utilized the net proceeds raised from Rights Issue in the table below:-

	Amount raised	Amount utilized	Cumulative amount utilized as at the date of this announcement	Balance of net proceeds as at the date of this announcement
	(A)	(B)	(C)	(A)- (C)
	HK$'000	HK$'000	HK$'000	HK$'000
Product development	5,697	-	-	5,697
Building up inventory level for distribution and sales globally	7,601	5,487	5,487	2,114
Financing trade receivables for distribution and sales globally	15,201	-	-	15,201
Setting up of overseas sales offices	3,166	1,228	3,166	-
Additional expenses incurred in connection with Rights Issue	48	-	48	-
Total	**31,713**	**6,715**	**8,701**	**23,012**

BY ORDER OF THE BOARD

Liu Wai Man
Lisa Cheng
Company Secretaries
30 April 2015