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

UNAUDITED RESULTS FOR THE QUARTER ENDED 31 MARCH 2018

The Directors of Plastoform Holdings Limited wish to announce the following unaudited results of the Group for the quarter ended 31 March 2018

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

Consolidated Statement of Comprehensive Income (in HK$'000)

	Group		
	Three Months Ended 31 March		
	2018	2017	**%**
Revenue	**18,707**	12,083	54.8%
Cost of sales	**(15,736)**	(12,014)	31.0%
Gross profit	**2,971**	69	N/M
Other operating income	**173**	199	(13.1%)
Selling and distribution expenses	**(1,628)**	(2,389)	(31.9%)
General and administrative expenses	**(12,711)**	(13,825)	(8.1%)
Finance cost	**(8)**	-	N/M
Loss before income tax	**(11,203)**	(15,946)	(29.7%)
Income tax expense	**-**	-	N/M
Loss for the period	**(11,203)**	(15,946)	(29.7%)
Other comprehensive income for the period, net of tax:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations (at nil tax)	**461**	524	(12.0%)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	**461**	524	(12.0%)
Total comprehensive loss attributable to owners of the Company	**(10,742)**	(15,422)	(30.3%)

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

	Group		
	Three Months Ended 31 March		
	2018	2017	**%**
	HK$'000	HK$'000	Change
Interest income	**(2)**	(7)	(71.4%)
Depreciation of plant and equipment	**34**	1,274	(97.3%)
Impairment loss on plant and equipment	**476**	-	N/M
Net exchange (gains)/loss	**(275)**	505	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)

	Group		Company	
	31/3/2018	31/12/2017	**31/3/2018**	31/12/2017
	HK$'000	HK$'000	**HK$'000**	HK$'000
ASSETS				
Non-current assets				
Plant and equipment	**866**	863	**-**	-
Intangible asset – club memberships	**460**	460	**-**	-
Investments in subsidiaries	**-**	-	**4,751**	4,751
	1,326	1,323	**4,751**	4,751
Current assets				
Inventories	**25,611**	19,771	**-**	-
Trade receivables	**39,330**	51,056	**-**	-
Deposits, prepayments and other receivables	**7,096**	3,781	**305**	178
Cash and cash equivalents	**21,184**	39,718	**2,933**	3,192
	93,221	114,326	**3,238**	3,370
Total assets	**94,547**	115,649	**7,989**	8,121
Current liabilities				
Trade payables	**37,520**	46,836	**-**	-
Other payables and accruals	**10,748**	11,460	**1,119**	1,485
Deposits received in advance from customers	**5,456**	5,788	**-**	-
Amount due to a subsidiary	**-**	-	**2,828**	2,828
Amount due to a shareholder	**731**	731	**731**	731
	54,455	64,815	**4,678**	5,044
Net current assets/(liabilities)	**38,766**	49,511	**(1,440)**	(1,674)
Net assets	**40,092**	50,834	**3,311**	3,077
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	**20,250**	20,250	**20,250**	20,250
Share premium	**197,502**	197,502	**197,502**	197,502
Treasury share	**(1,776)**	(1,776)	**(1,776)**	(1,776)
Share option reserve	**391**	554	**391**	554
Foreign exchange translation reserve	**(2,325)**	(2,786)	**-**	-
Accumulated losses	**(173,950)**	(162,910)	**(213,056)**	(213,453)
Total equity	**40,092**	50,834	**3,311**	3,077

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 31/3/2018		As at 31/12/2017	
Secured	Unsecured	Secured	Unsecured
HK$'000	HK$'000	HK$'000	HK$'000
Nil	Nil	Nil	Nil

Amount repayable after one year

As at 31/3/2018		As at 31/12/2017	
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	
	31/3/2018	31/3/2017
	HK$'000	HK$'000
Cash flows from operating activities		
Loss before income tax	**(11,203)**	(15,946)
Adjustment for:		
Depreciation of plant and equipment	**34**	1,274
Impairment loss on plant and equipment	**476**	-
Provision/ (reversal) of stock obsolescence	**63**	(359)
Interest expenses	**8**	-
Interest income	**(2)**	(7)
Operating cash flows before working capital changes	**(10,624)**	(15,038)
Changes in working capital:		
Inventories	**(5,903)**	(1,223)
Trade and other receivables	**8,411**	60,944
Trade and other payables	**(10,360)**	(39,839)
Cash (used in)/generated from operations	**(18,476)**	4,844
Interest received	**2**	7
Net cash (used in)/generated from operating activities	**(18,474)**	4,851
Cash flows from investing activities		
Purchases of plant and equipment	**(476)**	(431)
Net cash used in investing activities	**(476)**	(431)
Cash flows from financing activities		
Interest expenses	**(8)**	-
Net cash used in financing activities	**(8)**	-
Net (decrease)/increase in cash and cash equivalents	**(18,958)**	4,420
Effect of exchange rate changes on cash and cash equivalent	**424**	231
Cash and cash equivalents at beginning of the period	**39,718**	50,808
Cash and cash equivalents at end of the period	**21,184**	55,459

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 2018	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 2018							
Balance as at 1 January 2018	20,250	197,502	(1,776)	554	(2,786)	(162,910)	50,834
Loss for the period	-	-	-	-	-	(11,203)	(11,203)
Transfer to accumulated losses upon lapse of share option	-	-	-	(163)	-	163	-
Other comprehensive income for the period	-	-	-	-	461	-	461
Balance at 31 March 2018	**20,250**	**197,502**	**(1,776)**	**391**	**(2,325)**	**(173,950)**	**40,092**
Group – 1Q 2017							
For the three months ended 31 March 2017							
Balance as at 1 January 2017	20,250	197,502	(1,686)	594	(4,341)	(113,200)	99,119
Loss for the period	-	-	-	-	-	(15,946)	(15,946)
Transfer to accumulated losses upon lapse of share option	-	-	-	(40)	-	40	-
Other comprehensive income for the period	-	-	-	-	524	-	524
Balance at 31 March 2017	**20,250**	**197,502**	**(1,686)**	**554**	**(3,817)**	**(129,106)**	**83,697**

Company – 1Q 2018	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 2018						
Balance as at 1 January 2018	20,250	197,502	(1,776)	554	(213,453)	3,077
Profit for the period	-	-	-	-	234	234
Transfer to accumulated losses upon lapse of share option	-	-	-	(163)	163	-
Balance at 31 March 2018	**20,250**	**197,502**	**(1,776)**	**391**	**(213,056)**	**3,311**
Company – 1Q 2017						
For the three months ended 31 March 2017						
Balance as at 1 January 2017	20,250	197,502	(1,686)	594	(71,746)	144,914
Loss for the period	-	-	-	-	(768)	(768)
Transfer to accumulated losses upon lapse of share option	-	-	-	(40)	40	-
Balance at 31 March 2017	**20,250**	**197,502**	**(1,686)**	**554**	**(72,474)**	**144,146**

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

Share Capital

Details of change in the Company's share capital since the last reported period are as follows:-

	Group and the Company	
	Number of Ordinary Shares	Share capital and premium (HK$'000)
As at 31 December 2017 and 31 March 2018 (excluding treasury shares)	40,046,193	215,976

The Company has 453,800 treasury shares as at 31 March 2018 (31 December 2017: 453,800 treasury shares).

Share Options

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

	As at 31/3/2018	As at 31/12/2017
Outstanding options	16,000	31,000

15,000 options were lapsed as some employees left the Company in 1Q 2018.

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

	As at 31/3/2018	As at 31/12/2017
Total number of issued shares excluding treasury shares	40,046,193	40,046,193

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

Not Applicable.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not Applicable.

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

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

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

Not applicable.

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

There are a number of new or revised International Financial Reporting Standards ("IFRSs") and related interpretations promulgated by International Financial Reporting Interpretations Committee ("IFRICs") that are effective for accounting periods beginning on or after 1 January 2018. The adoption of these new IFRSs did not have any material impact on the financial information of the Group for period ended 31 March 2018. 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 2018 are the same as those used in the annual financial statements of the Group for the year ended 31 December 2017.

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

The Group adopted the new or amended IFRSs and IFRICs that are mandatory for application for financial periods beginning on or after 1 January 2018. The adoption of these new/revised IFRSs and IFRICs did not result in substantial changes to the Group's accounting policies nor any significant impact on the consolidated financial statements.

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

	Group	
	1Q2018	**1Q2017**
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);	(28.0)	(39.7)
(b) On a fully diluted basis (HK$ cents)	(28.0)	(39.7)
Number of ordinary shares in issue (excluding treasury shares)		
Weighted average number of ordinary shares for the purpose of basic earnings per share	40,046,193	40,146,193
Effective of potentially dilutive ordinary shares – Share options	16,000	31,000
Weighted average number of ordinary shares for the purpose of diluted earnings per share	40,062,193	40,177,193

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

	Group		Company	
	31/3/2018	**31/12/2017**	**31/3/2018**	**31/12/2017**
Net asset value per ordinary share based on issued share capital (HK$)	1.0	1.3	0.1	0.1
Number of ordinary shares in issue excluding treasury shares	40,046,193	40,046,193	40,046,193	40,046,193

Net asset value per ordinary share at the end of the financial periods presented has been computed based on the combined net assets of the Group as at the respective reporting period and the number of ordinary shares at 31 March 2018 of 40,046,193 shares (31 December 2017: 40,046,193 shares).

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

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

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

Turnover

Turnover increased by 54.8% or HK$6.6 million from HK$12.1 million in 1Q 2017 to HK$18.7 million in 1Q 2018. The increase was mainly attributed to a comparatively strong demand from customers in 1Q 2018.

Gross profit and margin

Gross profit increased by HK$2.9 million from HK$0.1 million in 1Q 2017 to HK$3.0 million in 1Q 2018 mainly due to the increase of sales (including tooling income of HK$0.8m) and decrease of depreciation charges, HK$0.8m.

Selling and distribution expenses

Selling and distribution expenses decreased by 31.9% or HK$0.8 million from HK$2.4 million in 1Q 2017 to HK$1.6 million in 1Q 2018 mainly due to the decrease in licensing fee HK$0.4 million and reclassification of staff costs HK$0.3 million to R&D team (G&A expenses).

General and administrative expenses

General and administrative expenses decreased by 8.1% or HK$1.1 million from HK$13.8 million in 1Q 2017 to HK$12.7 million in 1Q 2018 mainly due to the decrease of staff cost HK$0.7 million and exchange loss HK$0.8 million, partially offset by the impairment loss on plant and equipment HK$0.5 million.

Loss before income tax

Loss before income tax decreased by HK$4.7 million from HK$15.9 million in 1Q 2017 to HK$11.2 million in 1Q 2018, mainly due to increase of sales and savings from further cost reduction.

Financial Position

Inventories increased by HK$5.8 million from HK$19.8 million as at 31 December 2017 to HK$25.6 million as at 31 March 2018 due to some shipments put on hold during the period of renegotiating the repayment schedules with major customers.

Trade receivables decreased by HK$11.8 million from HK$51.1 million as at 31 December 2017 to HK$39.3 million as at 31 March 2018 in line with the lower sales in 1Q 2018 compared to 4Q 2017.

Deposits, prepayments and other receivables increased by HK$3.3 million from HK$3.8 million as at 31 December 2017 to HK$7.1 million as at 31 March 2018 mainly due to the increase of VAT receivable HK$1.8 million and pending for refund from Mandatory Provident Fund contribution of HK$1.1 million.

Trade payables decreased by HK$9.3 million from HK$46.8 million as at 31 December 2017 to HK$37.5 million as at 31 March 2018 mainly due to lower material purchases in this quarter.

Statement of Cash Flows

Net cash used in operating activities increased by HK$23.4 million from HK$4.9 million inflow in 1Q 2017 to HK$18.5 million outflow in 1Q 2018, mainly due to a result of lower sales and the decrease of collections due to the payment delayed from major customers.

As at 31 March 2018, the Group has cash and bank balances of HK$21.2 million (31 December 2017: HK$39.7 million) with no bank borrowings (FY2017: HK$Nil).

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

The company has not provided any prospect statement.

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

The Global Bluetooth speaker market is still flooded with endless numbers of new brands launching their Bluetooth speakers. The three tech giants – Amazon, Google, and Apple also launched their smart audio speakers which add greater competitive pressure to the Global Consumer Audio Marketplace. Our major customers in the audio field suffered a significant drop in sales which induced the decline in the Group's business.

The Group instituted stringent cost controls and streamlined organizational structure and operational procedures. All new projects and investment in new products have to be scrutinized extra carefully especially to ensure that product sold to our customers must sell quickly. The connectivity of the Internet coupled with audio as a medium of interaction is opening up a range of new possibilities for the use of Internet of Things (IoT). The Smart audio speakers introduced the Voice Recognition (VR) control to the consumer market, which probably can be used as an input and control medium for forthcoming years in consumer electronic devices. It is about to bring us, as well as our customers an opportunity to apply VR in a wide scope of products including the speakers. We will work with major customers to develop products with the VR feature in order to capture more business.

As part of risk management strategy, we will expand our business to the commercial and industrial sectors with different technology and product applications. We are confident that we will acquire new customers by leveraging our core audio competence. Aggressive sales and relationship strategies will be employed to fight for more revenues.

Last but not least, we will definitely maintain our core competence in the digital audio industry to provide excellent product development and manufacturing, industrial product design, R&D and engineering services for customers. We have and continue to design, develop and manufacture new and innovative smart audio products and VR devices.

As the business conditions continue to be challenging, seeking new capital, new partners, and diversification into a few new business segments is an urgent and necessary direction for the Group. Fundraising option including rights issue exercises are being considered by the Company to obtain additional cash in order to meet its working capital needs.

In the event that customer acquisition becomes an expensive and lengthy process, we will also consider selling directly our products in the established online marketplace.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Nil

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Nil

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared and recommended for the first quarter ended 31 March 2018.

13. Interested Person Transactions ("IPTs")

The Company does not have a Shareholders' Mandate for Interested Person Transactions. There were no interested person transactions with amount exceeding S$100,000 during 1Q 2018.

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 2018 financial results to be false or misleading, in any material aspect.

15. Undertakings Confirmation pursuant to Rule 720(1) of the Listing Manual

The Company hereby confirms that the undertakings as required in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual has been procured from all its Directors and Executive Officers.

BY ORDER OF THE BOARD

Liu Wai Man
Lisa Cheng
Company Secretaries
26 April 2018