
RESPONSE TO QUERIES FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (“SGX-ST”) ON THE UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

The Board of Directors (the “**Board**”) of PLASTOFORM HOLDINGS LIMITED (the “**Company**”) refers to the following queries raised by the SGX-ST on 17 March 2020 and would like to provide additional information in relation to the Company’s announcement on unaudited financial statements for the year ended 31 December 2019 (“**FY2019**”) released on 27 February 2020, as follows:

SGX-ST’s Query 1:_

In the Company’s FY2019 results, the Company disclosed Other payables and accruals amounting to HK\$ 6.748 million. Please provide a breakdown for the amount and explain the material items.

Company’s response:

Other payables and accruals	31/12/2019 HK\$ m	Remarks
Compensation	4.244	Relinquishing of directors’ service agreements in 2018
Audit fee	0.729	Accrual for 2019 audit fee
Directors’ fee	0.477	Outstanding directors’ fee for 2019
Others	1.298	Including accruals for professional fees, salaries, operating expenses and so on.
Total:	6.748	

SGX-ST’s Query 2:_

Please disclose if the Company has sufficient funds to meet short term obligations noting that the Company has cash and cash equivalents of HK\$ 302,000 and negative working capital of HK\$ 9.3million. Please provide the Board’s views if the Company will be able to operate as going concern and basis for the Board's view.

Company’s response:

The Company underwent the reorganization and cost management exercise, to reduce the operation expenses substantially from for the year 2019. Our general and administrative expenses decreased by 72.4% or HK\$25.2 million from HK\$34.8 million in FY2018 to HK\$9.6 million in FY2019, mainly due to the decrease in staff costs HK\$9.5 million, director’s emoluments HK\$2.0 and impairment on trade receivable HK\$11.8 million. We also negotiated and achieved with all cooperated professional parties to maintain professional services fee and provided with longer payment term as the sudden onset of Covid-19 pandemic infections. The Company is actively seeking for the new funds from prospective investors and possible M&As with potential business partners. With the above-mentioned actions, the Board is of the opinion that the Company will be able to operate as a going concern.

BY ORDER OF THE BOARD

Tse Kin Man
Non-Executive Chairman and Director

20 March 2020