PLASTOFORM HOLDINGS LIMITED

(Incorporated in Bermuda)
(Company Registration No. 34171)

NON-BINDING TERM SHEET IN RELATION TO THE PROPOSED CONVERTIBLE LOAN – RESPONSE TO SGX REGCO QUERIES

The Board of Directors (the "**Board**" or the "**Directors**") of Plastoform Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the Company's announcement dated 20 October 2021 in relation to the Company's entry into non-binding term sheet (the "**Term Sheet**") for a proposed convertible loan (the "**Proposed Convertible Loan**") with JCS INVK Pte. Ltd. (the "**Investor**") (the "**Term Sheet Announcement**"). The Board wishes to inform shareholders of the Company (the "**Shareholders**") that the Singapore Exchange Regulation Pte. Ltd. ("**SGX RegCo**") had on 22 October 2021 raised queries regarding the Term Sheet Announcement, and the Company would like to provide its responses herein.

Unless otherwise defined, all capitalised terms shall bear the same meaning as set out in the Term Sheet Announcement.

SGX RegCo Query 1

On 20 October 2021, the Company announced that "as of 20 October 2021, the Investor, HTL China and the Company had mutually agreed to terminate the Subscription Agreement, the Loan Agreement and the Collaboration Agreement collectively, the "Agreements")." Please disclose the date of the agreement with the Investor, HTL China to mutually terminate the Subscription Agreement.

Company's Response

New Century Investment Holdings Pte. Ltd. ("**New Century**"), HTL Furniture (China) Co., Ltd. ("**HTL China**") and the Company had mutually agreed on 20 October 2021 to terminate the Subscription Agreement dated 20 January 2021, the Loan Agreement dated 19 April 2021 and the Collaboration Agreement dated 19 April 2021 (collectively, the "**Agreements**").

SGX RegCo Query 2

On 29 June 2021, the Company announced that it was granted a conditional extension of ten (10) months to 4 April 2022 to meet the exit requirements under Listing Rule 1314. The Company noted, under the Conditions of the Waiver, that its attention was drawn to Listing Rule 1314 which requires, inter alia, the Company to record a consolidated pre-tax profit for its financial year ending 31 December 2021. In addition, the Company announced that a specific milestone that will enable the Company to exit the SGX Watch-List by the extended deadline of 4 April 2022 is that the Scheme documents for the Proposed Scheme should be sent to the Creditors by 30 September 2021. Please disclose:

(i) why the Company failed to disclose its quarterly updates to exit the watchlist required under Rule 1313(2) of the Listing Manual since 27 October 2020;

(ii) why the Company failed to update earlier, via an SGXNet announcement, when it was first became aware, that it will be unable to send the Scheme Documents to Creditors by 30 September 2021; and

(iii) an update whether the Company will be able to meet the requirements under Listing Rule 1314 which requires the Company to record a consolidated pre-tax profit for its financial year ending 31 December 2021 in order to meet the conditions under the conditional extension.

Company's Response

(i) The Company has faced financial difficulties in, *inter alia*, retaining its auditors and staff due to a lack of working capital, and is currently operating on an extremely lean team. Many of such remaining staff are currently owed payroll for several months. In addition, it was not contemplated during the proposed investment by New Century into the Company (the "**Proposed New Century Investment**") for New Century to pay for the fees and expenses necessary to engage the requisite professionals. As such despite the Company's best efforts, the Company has not had the resources to deliver such necessary updates in a consistent manner.

Nevertheless and subject to the Definitive Agreements to be entered into, it is currently intended that the new Investor will be paying for the fees due to the auditors of the Company so as to enable the Company to complete its audit and to deliver the financial statements of the Group for each of its financial years ended 31 December 2019, 2020 and 2021. The Company therefore expects that it will be able to return to compliance in a timely manner after the Definitive Agreements have been executed.

(ii) The progress on the Proposed Scheme should be appropriately placed within the larger context of the ongoing Proposed New Century Investment, which had been affected by the slow progress of the Company's submissions for the resumption of trading of its ordinary shares (the "**Resumption Proposal**") and the corresponding delays to the development of the new audio products required for HTL China (the "**New Audio Products**"). While the Company had already carried out substantial work in preparing for its proposed scheme with its creditors (the "**Proposed Scheme**"), including *inter alia*, preparing the scheme documents in respect of the Proposed Scheme and preparing to initiate the formal scheme processes with its creditors, given the Company's financial condition, the expenses and costs related to the Proposed Scheme was funded by New Century and therefore initiating such processes required their concurrence. In addition, the debts under the Proposed Scheme was intended to be settled and discharged with the consideration proceeds to be paid upon the completion of the Proposed New Century Investment and as such, the Proposed Scheme could not proceed when the discussions for the Proposed New Century Investment had been delayed. Please refer to the Company's responses to query 3 for further details on the delays to the New Audio Products.

In this context, the Company planned to disclose details on the delays to the Proposed Scheme and on the other key milestones after they had been resolved with certainty and rescheduled, since it would be more meaningful. While facing delays in its communication with New Century, the Company continued in its best efforts to facilitate continual discussions in the hope that it could resolve the discussions related to the New Audio Products, and eventually proceed with the Proposed Scheme and the Proposed New Century Investment. Ultimately, the Company did not manage to confirm a formal termination up until the mutual termination letter with New Century and HTL China on 20 October 2021.

Notwithstanding the above, the Company continued to explore alternatives should the Proposed New Century Investment fail. In that regard, the Company was introduced to the Investor and had managed to execute the Term Sheet with the Investor on the same day it had confirmed the mutual termination with New Century and HTL China.

(iii) While negotiations with the Investor are still ongoing, the Board is of the view that the Proposed Convertible Loan and the Proposed New Business presents a good opportunity for the Company to record a consolidated pre-tax profit for its financial year ending 31 December 2021. Please refer to the Company's response to query 9 for further details on the Proposed New Business.

SGX RegCo Query 3

It was also announced by the Company on 29 June 2021 that the conditional extension of 10 months to 4 April 2022 to meet the exit requirements was conditional upon, inter alia, the Company completing its development of the New Audio Products in accordance with HTL China's requirements by 30 September 2021, in accordance with the timeline as represented to the SGX RegCo. Please disclose the stage of development of the New Audio Products with HTL China's requirements and the reason why the Company was unable to complete this by 30 September 2021. Please disclose the reason why the Company did not update on the status of meeting this condition noting that it was disclosed in the Company's announcement on 29 June 2021 that Shareholders are to note that the Waiver will not be effective if any of the conditions above have not been fulfilled.

Company's Response

The New Audio Products had stalled in its preliminary conceptual stages. While the reason for the delays on the development of the New Audio Products was not formally disclosed to the Company, the Company observed that the slow progress with the Company's Resumption Proposals over the course of four (4) months, and the eventual rejection of the Company's first and second Resumption Proposals, had been significant contributing factors to New Century's unwillingness to proceed with the Proposed New Century Investment. Without the cooperation of HTL China, the New Audio Products could not progress beyond its initial development stages.

As noted in the Company's response to query 2, in the face of such delays, the Company continued with its best efforts to engage New Century and HTL China. Without any certainty as to whether the New Audio Products could ultimately be developed, the Company had delayed in releasing updates on to Shareholders in the hopes of delivering meaningful updates later. Such update was eventually released after the Company confirmed the formal mutual termination with New Century and HTL China on 20 October 2021.

SGX RegCo Query 4

On 20 October 2021, the Company also separately announced that "the Company had on 20 October 2021 entered into a non-binding term sheet (the "Term Sheet") with JCS INVK Pte. Ltd. (the "Investor") pursuant to which the Investor will agree to extend, and the Company will grant, a loan facility of an aggregate principal amount of up to S$2.5 million (the "Proposed Convertible Loan"), with the conversion rights (the "Conversion Rights") to convert outstanding loans thereunder into fully paid-up ordinary shares in the capital of the Company." Please disclose the paid up capital of JCS INVK Pte Ltd.

Company's Response

The information below on the Investor and its related companies, as well as the Introducer, has been provided by the Investor, and in respect of such information, the Company and its Directors have not independently verified the accuracy and correctness of the same and the Company's responsibility is limited to the proper extraction and reproduction herein.

The paid up share capital of JCS INVK Pte. Ltd. is S$10.00. The Company understands that the Investor intends to increase the paid-up share capital of JCS INVK Pte. Ltd. pursuant to its internal restructuring plans in the coming weeks.

SGX RegCo Query 5

The Company also disclosed that the Investor is a wholly-owned subsidiary of JCS Group Pte. Ltd. which ultimate beneficial owner is Mr Yeo Hock Huat. Please disclose the paid up capital of JCS Group and the size of operations of the JCS Group, the directors and shareholders of the Investor and the JCS Group and clarify whether Mr Yeo Hock Huat is the sole director and shareholder of JCS Group Pte. Ltd. Please also disclose if the Investor has any relationships with the Company, its directors and substantial shareholders.

Company's Response

The sole director of the Investor is Mr Yeo Hock Huat ("**Mr Yeo**"). The sole shareholder of the Investor is JCS Group Pte. Ltd. ("**JGPL**"). The Investor is not related to the Company, the Directors or substantial Shareholders of the Company, and their respective associates. Prior to the Term Sheet, the Investor, including its ultimate beneficial owner Mr Yeo, have had no previous business, commercial, trade dealings or any other connection with the Company, the Directors or the substantial Shareholders of the Company.

The paid-up share capital of JGPL is S$10 million. The sole director and shareholder of JGPL is Mr Yeo.

It is not meaningful to compare the scale of operations of JGPL, as the entity that is currently intended to be involved in the Proposed New Business, JCS Greentech Pte. Ltd. ("**JCS Greentech**"), is not a related company of either of JGPL or the Investor. JCS Greentech is a Singapore-based complex equipment, products design and manufacturing company that designs and builds various equipment and products for the medical field, the renewable energy industry such as the solar energy industry, and in certain technology-specialised areas of the agricultural industry. It employs more than 20 technicians and engineers in Singapore, and serves customers in Singapore, Southeast Asia, the United Kingdom, Europe, Latin America and the People's Republic of China. For its financial year of 2020, it generated a revenue of more than S$23 million and is expected to generate approximately the same revenue for 2021. While the details of the Proposed New Business is still under negotiation, it is intended that JCS Greentech will engage the JV Company for certain services as detailed in the Company's response to query 9 below.

The sole director of JCS Greentech is Mr Yeo, who has operational control and a substantial stake in the company. JCS Greentech is not related to the Company, the Directors or substantial Shareholders of the Company, and their respective associates. Prior to the Term Sheet, JCS Greentech has had no previous business, commercial, trade dealings or any other connection with the Company, the Directors or the substantial Shareholders of the Company.

SGX RegCo Query 6

The Company disclosed that "The Investor was introduced to the Company by One World Business Advisory Pte. Ltd. (the "Introducer")". Please disclose when the Introducer was incorporated, the identity of the person introducing the deal to the Company, the background, track record and details of the Introducer. Please also disclose the directors and shareholders of the Introducer and whether the Introducer, its directors, shareholders and key management has any relationships with the Company, its directors and substantial shareholders and their respective associates.

Company's Response

The Introducer was incorporated on 4 January 2009. The sole director and ultimate beneficial owner of the Introducer is Mr Pek Choon Lee ("**Mr Pek**"), a Singapore businessman who has been involved in corporate transactions in Singapore, Malaysia and Taiwan for over 15 years. He has experience in fund raising, pre-listing investments, introductions for acquisitions and investments, and placements and convertible loans to both listed and private companies.

None of the Introducer, its directors, shareholders and key management are related to the Company, the Directors or substantial Shareholders of the Company, and their respective associates. Prior to the Term Sheet, the Introducer, including its ultimate beneficial owner Mr Pek, have had no previous business, commercial, trade dealings or any other connection with the Company, the Directors or the substantial Shareholders of the Company.

SGX RegCo Query 7

It was disclosed that "the Company is obliged to pay an introduction fee equivalent to six per cent. (6%) of the aggregate outstanding sums to be converted under the Proposed Convertible Loan (the "Introduction Fee"), only upon the successful completion of the proposed transaction. The Introduction Fee will be satisfied by the allotment and issuance of new fully-paid up Shares to the Introducer (the "Introducer Shares")." Please disclose:

(i) The projected number of shares and % in the Company upon the payment of the introduction fee;

(ii) In relation to the "successful completion of the proposed transaction", please disclose what the completion of "proposed transaction" refers to and whether this "proposed transaction" refers to the completion of a resumption proposal or otherwise.

Company's Response

(i) The projected number of ordinary shares (the "**Shares**") to be held and percentage shareholding of the Introducer in the enlarged share capital of the Company, after completion of the conversion of the Proposed Convertible Loan, cannot be computed with certainty at this point. Shareholders are to note that key commercial terms including, *inter alia*, the conversion price for the Conversion Shares are the subject of ongoing negotiations and will be resolved in the Definitive Agreements to be entered into. Nevertheless, the Company understands that the Introducer Shares will not amount to more than 5% of the total enlarged share capital of the Company after completion of the conversion of the Proposed Convertible Loan.

(ii) The "proposed transaction" refers to the completion of the conversion of the Proposed Convertible Loan into Conversion Shares, which will only take place after, *inter alia*, a

resumption proposal has been submitted and approved by the SGX RegCo and Shareholder approval has been obtained at an EGM to be convened.

SGX RegCo Query 8

The Company disclosed that "The Investor shall extend the Proposed Convertible Loan to the Company, for an aggregate principal amount of up to S$2.5 million, which shall be drawn down by the Company in tranches according to its working capital requirements and subject to the mutual agreement between the Company and the Investor." Please disclose the terms of the Proposed Convertible Loan, including the tenure of the loans and the conditions attached to the loan.

Company's Response

Shareholders are reminded that the Term Sheet is non-binding in nature and is subject to further negotiation and the Definitive Agreements to be entered into. As such, there is no assurance or certainty that any Definitive Agreements will be eventually entered into on the same terms set out herein and/or that such agreements, having been entered into and being subject to certain conditions, will be completed.

The parties currently intend that all of the loans that may be drawn down from time to time under the Proposed Convertible Loan will mature on the proposed maturity date of 30 July 2022, which may be extended with mutual agreement between the Company and the Investor.

While the conditions of the Proposed Convertible Loan remain subject to further negotiations, it is currently intended that these conditions will include customary conditions for a transaction of such nature, including without limitation, seeking the requisite approvals and consents from the SGX-ST, the Securities Industry Council of Singapore, the Singapore Courts in respect of the Proposed Scheme, and such other approvals necessary for the Company to exit the SGX Watch-List and to resume trading in its Shares on the Main Board of the SGX-ST.

SGX RegCo Query 9

The Company disclosed that "Concurrently with the Proposed Convertible Loan, the Company intends to carry out new business with the Investor through a newly-incorporated Singapore subsidiary (the "JV Company") (the "Proposed New Business")." Please elaborate on the Proposed New Business and clarify if the new business will result in a reverse takeover.

Company's Response

It is envisaged that the Proposed New Business will involve JCS Greentech engaging the Company's original equipment manufacturing services, for the design, development, manufacture and delivery of electronic products and devices such as tooling systems and control boards. JCS Greentech will also tap onto the Company's supplier and manufacturing network in China. In this regard, the Company is currently negotiating with the Investor and JCS Greentech for its order book in the coming months, and will announce the finalised details upon execution of the Definitive Agreements. In this regard, the Company is mindful of the requirement for the Company to record a consolidated pre-tax profit for its financial year ending 31 December 2021, and will be negotiating on this basis.

To the Company's knowledge, the establishment of the Proposed New Business will not result in a reverse takeover, as it is not an existing business to be acquired by the Company but will be established

as a new business in collaboration with JCS Greentech. As such, there will not be an acquisition of assets that will result in a change of control of the Company within the meaning given to it in the Listing Manual of the SGX-ST.

SGX RegCo Query 10

Please disclose the long stop date under the non-binding term sheet for the definitive agreement to be signed.

Company's Response

There is no date under the Term Sheet by which parties must sign the Definitive Agreements. However, the Company intends to expedite the negotiation process with the Investor so that the Definitive Agreements can be entered into as soon as practicable, and is targeting to finalise the Definitive Agreements by 15 November 2021.

SGX RegCo Query 11

The Company disclosed "Pursuant to the Term Sheet, the Company shall also propose a scheme of arrangement (the "Proposed Scheme") with all of its creditors to reorganise the existing indebtedness of the Company." Please disclose the timeline for the Proposed Scheme to be announced and whether the Completion will be prolonged significantly beyond March 2022.

Company's Response

The Company wishes to remind Shareholders that the terms of the Proposed Scheme remains subject to further amendments including, *inter alia*, those as advised by its professional advisers and to accommodate the scheduling requirements of the Singapore Courts.

Nevertheless, the parties currently intend to engage a scheme manager to kick-start the formal procedures for the Proposed Scheme by 1 November 2021, and to conclude the necessary processes and apply for the sanction of the Singapore Courts by the first quarter of 2022. At the present moment, the parties are aiming to obtain the Order of Court for the Proposed Scheme by 31 January 2022.

Cautionary Statement

Shareholders and potential investors are advised to exercise caution when trading in the shares of the Company as the Term Sheet is non-binding in nature. There is no assurance or certainty that any Definitive Agreements will be eventually entered into on the same terms set out herein and/or that such agreements, having been entered into and being subject to certain conditions, will be completed. In the event of any doubt as to the action they should take, Shareholders and potential investors should consult their stock brokers, bank managers, solicitors or other professional advisors.

BY ORDER OF THE BOARD
Plastoform Holdings Limited

Tse Kin Man
Non-Executive Chairman and Director

25 October 2021