
RESPONSE TO QUERY FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST") ON SECOND QUARTER RESULTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016

The Board of Directors (the "**Board**") of PLASTOFORM HOLDINGS LIMITED (the "**Company**") refers to the query raised by the SGX-ST on 18 August 2016 and would like to provide additional information in relation to the unaudited financial results of the Company for second quarter ended 30 June 2016, as follows:

SGX-ST's Query:

The Company disclosed that "The overall decrease in gross profit margin from 18.7% in 2Q 2015 to 7.2% in 2Q 2016 was due to (i) the increase of provision for slow-moving inventories..." Please quantify the "increase of provision for slow-moving inventories" and provide further details.

Company's response:

Provision of slow-moving inventories increased by 2.7% of sales or HK\$1.0 million, in which HK\$0.9 million was made for inventories in US warehouse kept more than 1 year. Such inventories originally planned to be sold in US markets, but put on hold due to the readjustment of company strategy. Management is seeking to sell out the US inventories in year 2016.

BY ORDER OF THE BOARD

Tse Kin Man
Executive Chairman

22 August 2016