

NEWS RELEASE

PLASTOFORM ACHIEVES PROFIT TURNAROUND IN 3Q 2014 ACCOMPANIED WITH SIGNIFICANT GROWTH IN REVENUES

- *Achieves net profit of HK\$9.7 million with 72.3% rise in revenue to HK\$144.8 million*
- *Gross margin up 15.5 percentage points to 22.0%, mainly due to higher revenue and improved labour efficiency*
- *Investing in WiFi and Bluetooth technologies to seize opportunities in the wireless audio industry*
- *Successful Rights Issue to fund the development of and working capital for new products to be distributed globally, setting the stage for additional significant growth*
- *Remains debt free with cash and cash equivalents of HK\$58.4 million as at September 30, 2014*

Financial Highlights

	For the three months ended 30 September			For the nine months ended 30 September		
HK\$ million	3Q 2014	3Q 2013	Change (%)	9M 2014	9M 2013	Change (%)
Revenue	144.8	84.0	72.3	320.1	225.3	42.1
Gross profit	31.9	5.5	484.6	63.2	16.0	294.7
Gross profit margin (%)	22.0	6.5	15.5 ppt	19.8	7.1	12.7 ppt
Profit/(loss) before tax	9.7	(8.6)	NM	(0.4)	(27.1)	NM
Profit/(loss) for the period	9.7	(8.6)	NM	(0.4)	(27.2)	NM

Note: ppt – Percentage points; N.M. – Not meaningful

Singapore, November 10, 2014 – PlastoForm Holdings Limited (“**PlastoForm**” or the “**Group**”) (捷永控股有限公司), an ODM and OBM manufacturer of ecstatic audio products, today announced that it has achieved a turnaround in net profit for the three months ended September 30, 2014 (“**3Q 2014**”), mainly on the back of robust revenue growth and a higher gross margin.

Profit after tax hit HK\$9.7 million in 3Q 2014, a turnaround from a loss of HK\$8.6 million for the three months ended September 30, 2013 (“**3Q 2013**”). Group revenue rose 72.3% to HK\$144.8 million from HK\$84.0 million over the same period. In line with the higher revenue, better capacity utilisation and labour efficiency, gross margin increased to 22.0% in 3Q 2014 from 6.5% in 3Q 2013.

Mr. Michael Tse Kin Man (谢健民), Executive Chairman of PlastoForm said, “We are pleased to have a turnaround in results this quarter, indicating that the measures we have taken to steer the company back towards profitability were well implemented. This includes a firm focus on the strong execution of both the Original Design Manufacturing and Original Branded Manufacturing strategies and keeping a close watch on cost competitiveness and driving process changes to improve our speed to market.

“Another strategy that we have implemented included a rejuvenation of our senior management team, with the recent appointment of Mr. Robert Perry as our Deputy CEO. Bob has a proven track record of success with global consumer electronics companies, including Panasonic, LG Electronics, Mitsubishi and Sharp, to name a few. His addition to our team will certainly further broaden our global horizons.

“We would like to thank all our shareholders for their support of our Rights Issue, which was a resounding success, having been over-subscribed by 107.59%. With the proceeds from this exercise, we will focus on growing our businesses, including the launch of new and ecstatic products in global markets.”

The Group recently announced a renounceable non-underwritten Rights Issue on two for one Rights share. At the close of the Rights Issue on September 10, 2014, based on PlastoForm's total issued share capital 1,346,000,000 Shares (excluding 6,000,000 treasury shares), 673,000,000 Rights Shares were available for subscription, of which valid acceptances and excess applications were received for a total of 724,109,630 Rights Shares, representing approximately 107.59% of the total number of Rights Shares available under the Rights Issue.

The Group remained in a healthy financial position with cash and cash equivalents of HK\$58.4 million as at September 30, 2014.

Industry Outlook

Overall, the Bluetooth/WiFi audio market continues its strong growth, even as other segments of consumer electronics slows. In addition, increasing competition is leading to stratification of the marketplace into segments, based on brand power and average selling prices.

Commenting on the Group's outlook and strategy, Mr. Robert Perry, Deputy Chief Executive Officer said, "Our ODM and OBM/licensed businesses are well-positioned to benefit from this stratification given our investments in core technologies such as WiFi technology, and improvement programmes to grow our capabilities to engage and meet the needs of our key customers, many of whom are industry leaders with good brand recognition. Of course, these improvements which include higher-performance products resonate with consumers, creating more value and differentiation.

Additionally, for our OBM/licensed business, we have made good progress, with continued strong efforts with global key partners. We are positive about the growth of this business but at the same time, we continue to exercise great prudence to ensure that we complement our existing customer base."

About PlastoForm

SGX Mainboard-listed PlastoForm is an ODM and OBM manufacturer of ecstatic audio products. The Group specialises in the design and integrated production of quality audio devices. Working with the world's premier brands, the Group delivers a wide range of trendy lifestyle audio and multimedia accessories including Bluetooth and wireless products.

Founded in 1982, Hong Kong-based PlastoForm has leveraged on its strong design and engineering capabilities, as well as its project management skills to become the partner of choice for clients seeking top-rated original design manufacturing services (ODM) in Asia, earning repeated accolades from the industry for its dedication to innovation and excellence.

Swift to adapt to evolving consumer trends, PlastoForm has continued to add outstanding new products to its range of speakers that have won over global leaders in the sector. Tapping the exploding market for portable multimedia devices, its latest ecstatic products have secured fresh orders from both existing and new customers.

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