

# PLASTOFORM HOLDINGS LIMITED

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

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## ENTRY INTO CONVERTIBLE LOAN AGREEMENT – NEW SUBSIDIARY AND THE PROPOSED NEW BUSINESS

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*Unless otherwise defined, all capitalised terms used herein shall bear the same meanings ascribed to them in the Company's announcements dated 20 October 2021, 25 October 2021, 8 November 2021 and 15 November 2021 (the "Previous Announcements").*

### 1. INTRODUCTION

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 Previous Announcement with regard to the Convertible Loan Agreement dated 15 November 2021, where it is contemplated that the Company will subscribe for 51% of the total issued and paid-up capital of JPS Advance Technology Pte. Ltd. ("**JPS**") (the "**Subscription**") and enter into the Proposed New Business with JCS Greentech Pte. Ltd. ("**JCS Greentech**").

### 2. SUBSCRIPTION OF SHARES IN NEW SUBSIDIARY

The Board wishes to announce (this "**Announcement**") that the Company had, as of 23 November 2021, subscribed for 51 ordinary shares in the capital of JPS for the consideration of S\$51.00, which was settled by cash. The consideration is nominal in value and was decided based on the percentage of shareholding in JPS (*viz.* 51% of its total issued and paid-up share capital) that the Company was intended to acquire under the Convertible Loan Agreement.

JPS is a Singapore-incorporated private company limited by shares that was incorporated on 26 October 2021. As at the date of this Announcement, the issued and paid-up share capital of JPS is S\$100.00 comprising 100 ordinary shares, with the remaining 49 shares being held by JCS INVK Pte. Ltd. (the "**Investor**"). The net asset value represented by the Company's shareholding in JPS, based on JPS' most recent management accounts as at 31 October 2021, is negligible as it is a newly-incorporated company.

Concurrently with the Subscription, the Company also executed a shareholders' agreement with the Investor and JPS on 23 November 2021 (the "**Shareholders' Agreement**"), which provides the customary terms, including the following salient terms:

- (a) the Company and the Investor shall be entitled to appoint two (2) directors and one (1) director to the board of JPS respectively. As at the date of this Announcement, the Investor has nominated Mr. Yeo Hock Huat to the board of JPS to oversee its day-to-day operations, and the Company will nominate two (2) persons as directors of JPS in due course;
- (b) JPS shall carry out the business of providing original equipment manufacturing and original design manufacturing services, in line with the pre-existing business of the Group. Each of the Company and the Investor shall recommend and/or introduce vendors, suppliers and customers to JPS who may benefit JPS' business, and shall

provide reasonable support, know-how and technical assistance to JPS in relation to its business;

- (c) JPS shall fund its working capital via distributions from the Convertible Loan, and the Company shall advance such intra-group loans to JPS on an unsecured and interest-free basis, which shall be repayable at the option of JPS. For further information on the Company's draw down of the Convertible Loan, please refer to the Company's Previous Announcement dated 15 November 2021;
- (d) as JPS is a newly-incorporated company without its own manufacturing capabilities but may be required to carry out its ordinary course of business in the short run, JPS may sub-contract its work to suppliers and/or service providers who have the requisite manufacturing capabilities to carry out such work, on an arms' length basis and on normal commercial terms. Notwithstanding the above, the Company and the Investor agree that they shall use reasonable efforts to enable JPS to lease, purchase, hire, and/or otherwise acquire the required manpower, property, equipment and other assets that are ordinarily required for its ordinary course of business in a timely manner;
- (e) the parties shall not limit or restrict, and shall each procure that any agreement, document and/or other arrangement with their affiliates shall not limit or restrict, JPS from diversifying its customer base and engaging in or offering design and/or manufacturing services to other third parties, even if such third parties may be directly or indirectly in competition with either of the parties and their respective affiliates;
- (f) JPS shall only make distributions from its assets (whether by way of dividend, capitalisation of reserves or otherwise) with the unanimous consent of all of its shareholders;
- (g) none of the Company and the Investor may encumber their shares in JPS, and cannot transfer, sell, dispose or deal with all or any part of its interest in such shares to third parties without first offering it to the other party, in accordance with the stipulated procedures therein;
- (h) upon the occurrence of certain prescribed events of default (including *inter alia*, a irremediable breach of the Convertible Loan Agreement, fraud or dishonesty, or insolvency), the defaulting shareholder shall be compelled to transfer its shares to the other party at a discounted fair market value of such shares; and
- (i) the Shareholders' Agreement shall continue in full force and effect without limit in point of time, until terminated on the occurrence of certain prescribed events, including *inter alia*, there being only one (1) Shareholder of the Company, or when the Shareholders' Agreement is terminated by the written agreement of all shareholders.

JPS will be deemed as a subsidiary of the Company and the Company will accordingly account for JPS, as well as will release the required disclosures, as a subsidiary from time to time in compliance with the Listing Manual. In addition, Shareholders should note that by virtue of the Subscription, the Company had fulfilled the condition precedent set out in paragraph 3.1(12)(c)(ii) of the Previous Announcement on the Convertible Loan dated 15 November 2021.

Under Chapter 10 of the Listing Manual, where any relative figure computed on the bases set out in Rule 1006 does not exceed 5%, the transaction shall constitute a "non-discloseable

transaction” for the purposes of Chapter 10 of the Listing Manual. As the relative figures for the Subscription do not exceed 5%, the Subscription constitutes a “non-discloseable transaction” for the purposes of Chapter 10 of the Listing Manual.

The consideration for the Subscription had no material impact on the earnings per share or net tangible assets per share of the Company and the Group for the financial year ending 31 December 2021.

None of the Directors or controlling shareholders (as defined in the Listing Manual) of the Company has any interest, direct or indirect in the above transactions, other than through their respective shareholdings in the Company.

### 3. ENTRY INTO THE PROPOSED NEW BUSINESS

Concurrently with the Subscription, JPS had also entered into a contract manufacturing agreement with JCS Greentech on 23 November 2021 for the production set-up, manufacturing and supply of electronic control modules to JCS Greentech (the “**Modules**”) (the “**JCS Greentech Contract**”). The Modules are critical sub-components for JCS Greentech’s proprietary disinfection devices, which are used in the medical industry. For further information on JCS Greentech and its disinfection devices, please refer to the Previous Announcements dated 25 October 2021 and 8 November 2021.

Aside from the customary terms, warranties and undertakings for a contract manufacturing agreement, the other salient terms of the JCS Greentech Contract are as follows:

- (a) JPS will provide its original equipment manufacturing services to JCS Greentech, relying on the Group’s expertise in original equipment manufacturing services, quality assurance and quality control standard operating procedures, which is further enumerated as the following two (2) deliverables:
  - (i) the development and establishment of tooling, machinery and other production equipment for the production of the Modules (“**Tooling Production**”); and
  - (ii) the manufacture and delivery of an agreed number of Modules for JCS Greentech on a monthly basis (each, a “**Module Batch**”), for an initial term of one (1) calendar year (the “**Initial Term**”);
- (b) upon completion and/or delivery, JPS will be paid a one-time fee of S\$950,000.00 for its Tooling Production, and will charge S\$360,000.00 monthly for each monthly Module Batch to JCS Greentech. The pricing for the Module Batches will be reviewed annually by the parties; and
- (c) the Initial Term shall, assuming that all terms and conditions of JPS have been complied with and no non-renewal notice is circulated by either party, be automatically renewed at the end of said term for a period of five (5) years each.

As JPS is a newly-incorporated company without its own manufacturing capabilities, it is intended that JPS will sub-contract its work to suppliers and/or service providers who have the requisite manufacturing capabilities to carry out the JCS Greentech Contract, which will be on an arms’ length basis and on normal commercial terms. As at the date of this Announcement, JPS is in talks with various parties for the foregoing works, and will finalise and begin its operations soon. Shareholders are reminded that under the Shareholders’

Agreement, the Company and the Investor are both obliged to use reasonable efforts to enable JPS to lease, purchase, hire, and/or otherwise acquire the required manpower, property, equipment and other assets that are ordinarily required for its ordinary course of business in a timely manner.

The JCS Greentech Contract is not on an exclusive basis, and does not contain any limitations or restrictions on JPS from engaging in, or offering design and/or manufacturing services to other third parties, even if such third parties may be directly or indirectly in competition with the Investor and its affiliates.

#### **4. FOLLOW UP ANNOUNCEMENTS AND CAUTIONARY STATEMENT**

The Board will update Shareholders from time to time on any material developments on the Convertible Loan, the Proposed New Business and the other transactions contemplated under the Convertible Loan Agreement.

**Shareholders and potential investors are advised to exercise caution when trading in the Shares of the Company. There is no assurance or certainty that the Convertible Loan, 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

23 November 2021