

PLASTOFORM HOLDINGS LIMITED

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

ENTRY INTO CONVERTIBLE LOAN AGREEMENT AND THE PROPOSED NEW BUSINESS – 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 15 November 2021 and 23 November 2021 in relation to the entry into the Convertible Loan Agreement with JCS INVK Pte. Ltd. (the “**Investor**”) as well as the subscription of shares in its new subsidiary, JPS Advance Technology Pte. Ltd. (“**JPS**”), and the entry into the Proposed New Business with JCS Greentech Pte. Ltd. (“**JCS Greentech**”) respectively. The Board wishes to inform shareholders of the Company (the “**Shareholders**”) that the Singapore Exchange Regulation Pte. Ltd. (“**SGX RegCo**”) had on 26 November 2021 raised queries regarding the aforementioned announcements, and the Company would like to provide its responses herein.

*Unless otherwise defined, all capitalised terms used herein shall bear the same meanings ascribed to them in the Company’s announcements 20 October 2021, 25 October 2021, 8 November 2021, 15 November 2021, 23 November 2021 and the Company’s concurrent announcement on 30 November 2021 (the “**Previous Announcements**”).*

SGX RegCo Query 1

The Company disclosed in the 23 November 2021 announcement that it will invest \$51 into JPS which will become a JV 51% owned by the Company and 49% held by JCS INVK Pte. Ltd. (the “Investor”). The Company announced on 15 November 2021 that it had signed a convertible loan agreement with the Investor for an amount of up to S\$2.0 million with the conversion rights (the “Conversion Rights”) to convert up to S\$1.5 million of the outstanding loans thereunder into fully paid-up ordinary shares (the “Shares”) in the capital of the Company.

- a. Please disclose the use of the proceeds of S\$2.0 million raised from the Convertible Loan. To disclose when and how the Company will be able to repay the S\$0.5 million amount of loan which will not be converted into shares, noting the Company’s current cash balance.***
- b. In addition, the conversion of the loan relating to the S\$1.5 million is not mandatory and is at the option of the Investor. Please disclose the source of funds for the repayment of the full S\$2.0 million loan in the event the Investor does not exercise its option to convert the loan to equity. Please quantify to substantiate the Board’s response.***

Company’s Response

- a.** As stated in the Company’s Previous Announcement dated 15 November 2021, the proceeds of S\$2.0 million raised from the Convertible Loan is to be used for the general working capital of JPS, for listing compliance expenses incurred by the Company and/or approved by the Investor in writing, and such other purposes as approved by the Investor in writing. As had also previously been announced, assuming the full S\$2.0 million Convertible Loan is drawn, it is envisaged that up to 15% will be used for listing compliance expenses incurred by the Borrower, with the remainder being applied to the working capital of JPS in support of the Proposed New Business and/or such other purposes as approved by the Lender in writing.

It is submitted that the Company's current cash balance is not a relevant consideration as the Proposed New Business is to be carried out, which will provide the Company with an additional stream of income revenue and cash flow. Shareholders are reminded that it is precisely the Company's poor financial condition that a loan is required to revive its operations and carry out the Proposed New Business. In this regard, the Company has already taken steps and is in the midst of establishing the Proposed New Business. Further details on the Company's progress on the JCS Greentech Contract is set out in its response to query 8(b) below. In addition, Shareholders should refer to the further information and forecasting on the Proposed New Business as set out in the Company's concurrent announcement dated 30 November 2021.

If the full Convertible Loan is drawn down, the S\$0.5 million is to be repaid after 31 January 2023, being the maturity date of the Convertible Loan (the "**Maturity Date**"). To aid Shareholders in their understanding of the Company's cashflow on or around the Maturity Date, the Company has provided its cash flow projections up to 31 January 2023 in the Appendix to this Announcement. Based on such projections, the Company will have a positive monthly operating cash flow, a revenue of S\$5,334,000 and cash of S\$1,233,030 for FY2022. In addition, the Company and the Investor will consider a deferment of the repayment of the S\$0.5 million loan in the event that the Company requires it.

As such, if the Convertible Loan is drawn to its maximum amount, the Board is of the view that the Company will be able to repay the S\$0.5 million amount of loan as and when it falls due on Maturity Date.

Shareholders are to note that the projections above referred to above are only predictions to the best of the Company's knowledge, which involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company, the Group and/or the Proposed New Business to be materially different from any future results, performance or achievements expected, expressed or implied by such projections. As such, no warranty is made to Shareholders that the actual future results, performance or achievements of the Company, the Group and/or the Proposed New Business will be as discussed in those projections.

- b. There may be some misunderstanding of the Company's Previous Announcement dated 15 November 2021 – as previously stated, the Conversion is not at the option of the Investor but is automatic after the relevant conditions precedent have been fulfilled (or waived in accordance with the terms of the Convertible Loan Agreement).

SGX RegCo Query 2

Please disclose the commercial rationale for the Investor to lend the Company S\$2.0 million in funds to be injected back into JPS, a JV company which the Investor owns 49% of when the Investor can use these same funds to own 100% of JPS and what are the risks in the ownership of the 49% of JPS by the Investor as compared to the Investor owning 100% of JPS.

Company's Response

The Company and the Investor are desirous to collaborate and believe that the Proposed New Business will generate value for both parties. However, the Investor does not possess the capabilities to conduct the Proposed New Business on its own and requires the Company's expertise in OEM services, quality assurance and quality control standard operating procedures. The Investor also hopes to leverage on the Company's wide-ranged supplier and vendor base, which has been cultivated by the Company over

the years, to better optimize cost efficiencies. That said, in view of the Company's poor financial condition, the funding required by the Investor to jump-start the business and the potential associated risks without any oversight by the Investor, the Investor negotiated for proceeds to be disbursed to JPS and for the Investor to have a minority stake in said subsidiary. This commercial position was the outcome of an arms' length negotiation between informed parties.

It is unclear if there are any risks related to the Investor owning 100% of JPS as the Investor cannot use the proceeds from the Convertible Loan to own 100% of JPS. Neither is it in the Investor's interest to carry on the Proposed New Business without the Company, as the Group's involvement – in providing its OEM and ODM services – is crucial to the Proposed New Business.

SGX RegCo Query 3

It is noted in the 23 November 2021 announcement that "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." On the other hand, the Company's Convertible Loan has a maturity date of 31 January 2023.

- a. Please demonstrate the Company's ability to repay the loan as and when it falls due especially noting that "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."***
- b. In addition to the loan to be extended by the Company to JPS, please disclose the amount of loans that will be extended by the Investor to JPS, if any.***

Company's Response

- a. It is speculative and not useful to assign probabilities to any of the events of default, as none of the events of default are reasonably foreseeable to the Company and/or the Investor. It should be noted that none of such events of default are out of the ordinary or are unusually onerous on the Company.

Please refer to the Company's concurrent announcement dated 30 November 2021 in which the Company provided its annual projections on revenue and profit beyond the period of 31 January 2023. Again, Shareholders are reminded that most of the Convertible Loan will automatically be capitalised and converted into Conversion Shares under the Convertible Loan Agreement.

- b. There are currently no loans nor any intention for the Investor to extend any loans to JPS.

SGX RegCo Query 4

It is noted in the Company's announcement on 23 November 2021, "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 shareholder." The Company will therefore have no control over distributions from JPS.

- a. ***In such scenarios, please disclose the Company's source of funds to make repayments of the Convertible Loan as and when it falls due and to finance the costs and expenses of the operation of the Company.***
- b. ***In its latest results announced for the period 1H2020, the Company reported a gross profit of only HK\$10,000 for 1H2020 and a pre-tax loss of HK\$1.7 million and was in a negative equity position of HK\$(10,621,000). Please disclose whether the Company will be operating its business while insolvent and whether this is a breach of any laws or regulations.***

Company's Response

- a. The restriction on distributions of assets as a reserved matter requiring unanimous consent is very standard for a shareholders' agreement. The purpose of such reserved matters is to safeguard the usage of the proceeds from the Convertible Loan so that they are substantially used to fund the Proposed New Business and not to benefit the interests of just one party. As the Company presently controls the board of JPS, without such restriction, it is theoretically capable of distributing all of the Convertible Loan out of JPS without regard to the future development and budgeting requirements of the Proposed New Business. Further, neither is it in the interest of the Investor to withhold such consent as the Company's involvement in the Proposed New Business is crucial, without which it cannot proceed. In respect of the Company's sources of funding to repay the Convertible Loan, please refer to the Company's response to query 1 above and the Company's concurrent announcement dated 30 November 2021.
- b. While the Company is in poor financial condition, the Company is not insolvent until so pronounced by a Court of competent jurisdiction. To the Company's knowledge, there are no creditors who have petitioned the Singapore Courts to wind up the Company nor carried out any legal proceedings with analogous effect. There is no illegality arising from a financially-troubled Company carrying on its ordinary course of business and attempting to generate value for its Shareholders.

Shareholders should also not that the Company intends to implement the Proposed Scheme, which will restructure the Company's debts and liabilities. For further details on the effect of the Proposed Scheme, please refer to the Company's concurrent announcement dated 30 November 2021.

SGX RegCo Query 5

It was disclosed in the 23 November 2021 announcement that "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").***

Please clarify in detail what is the specific product or service in relation to Tooling Production that JPS will provide to JCS Greentech and the specific use for such product/service.

Company's Response

As stated in the Company's Previous Announcement dated 23 November 2021, the Tooling Production comprises the development and establishment of tooling, machinery and other production equipment for the production of the Modules. This is a standard step for any manufacturer, as mass production of any product requires specific tooling and product-specific assembly lines (in the present case, the Proposed New Business pursuant to the JCS Greentech Contract requires the following production lines to be constructed: the horizontal alignment station, the vertical alignment station, the quality control station and various assembly stations) to be developed first so as to be manufactured in a cost effective manner. To that end, and as with any of the Company's other customers, the Company will first have to establish and build such production equipment for JCS Greentech in order to produce the Modules.

SGX RegCo Query 6

Please disclose the expertise and experience existing within the current board of the Company for the development and establishment of tooling, machinery and other production equipment for the production of the Modules and the manufacture and delivery of an agreed number of Modules for Greentech Technology and also whether the Company will be a passive investor of the JV Company. To elaborate with details who will be responsible for the day-to-day management of JPS.

Company's Response

The Company has been involved in consumer electronics and audio related businesses since 1982. Even consumer electronics will first require product-specific tooling and production equipment to be developed so as to be manufactured in a cost-effective manner and as such, the Company is no stranger to producing such tooling. Therefore, the Company has the expertise and experience in relation to the development and establishment of tooling, machinery and other production equipment for the production of the Modules, and the manufacture and delivery of the Modules for JCS Greentech.

Additionally, the founders of the Company, Mr. Chiu Kwong Fai ("**Mr. Chiu**") and Mr. Tse Kin Man ("**Mr. Tse**"), have vast technical and operational experience in this area. Mr. Chiu has been with the Group since 1987. He has over 30 years of experience in product designing, quality control, quality assurance and manufacturing industries. Over the years in his course of work, he has headed the industrial design, mechanical and industrial engineering divisions. Similarly, Mr. Tse has been with the Group since the early 1990s. He has over 30 years of experience, specialising in the field of electronics design and manufacturing. He oversees the quality control, quality assurance and manufacturing procedures, and possesses cumulative expertise in precision machinery, plastic moulding, OEM and ODM.

Therefore as disclosed in the Company's responses above, the Company is not a passive investor of JPS but is a crucial cornerstone of the Proposed New Business. In addition to contributing its expertise in OEM services, quality assurance and quality control standard operating procedures to JPS, the Company has cultivated a wide-ranged supplier and vendor base which can be leveraged to provide OEM services to similar machining industries.

As at the date of this Announcement, the Company has nominated Mr. Wong Kai Yin Daniel, the Group Financial Controller, and will nominate another person as director of JPS to strengthen its supervision and management of JPS in due course.

SGX RegCo Query 7

The Company disclosed in its announcement of 15 November 2021 that “JCS Greentech is not a related company of either 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” and that “For its financial year of 2020, it generated a revenue of more than S\$23 million and is expected to generated approximately the same revenue for 2021”.

- a. Please disclose when and where JCS Greentech was incorporated, its beneficial shareholders, directors and the projects JCS Greentech handled in Singapore and the size of these projects and the scope of these projects handled by JCS Greentech.***
- b. Please disclose the breakdown of the revenue and profits of JCS Greentech attributable to the sale of its proprietary disinfection devices, for which JPS will be supplying the Modules to under the proposed new business.***

Company's Response

- a. JCS Greentech was incorporated in Singapore on 1 July 2015. As stated in the Company's Previous Announcement dated 25 October 2021, its sole director is Mr. Yeo Hock Huat (“**Mr. Yeo**”), who has operational control of JCS Greentech. The ultimate beneficial owners of JCS Greentech are Mr. Yeo and Mr. Kasinathan A/L Tulasi (“**Mr. Tulasi**”), a passive investor. Prior to the JCS Greentech Contract, Mr. Tulasi had no previous business, commercial, trade dealings or any other connection with the Company, the Directors or the substantial Shareholders of the Company.

Since most of JCS Greentech's projects are not in Singapore, it is not meaningful to set out the details of such projects. For further information on the projects undertaken by JCS Greentech in the medical field, the renewable energy industry and the agricultural industry, please refer to the Company's Previous Announcement dated 8 November 2021. Please also refer to the Company's response below on its sales of its disinfection devices, some of which are sold to customers in Singapore.

- b. JCS Greentech has generated and is expected to generate a revenue of more than S\$23 million in each of 2020 and 2021. The sale of proprietary disinfection devices, for which JPS will be supplying the Modules to under the Proposed New Business, contributed S\$1.5 million and S\$2.2 million of the total revenue generated in 2020 and 2021 respectively. JCS Greentech has been developing a market for the proprietary disinfection device over the past couple of years. It has established its market presence, gained market traction and has seen a strong demand for such devices due to the ongoing COVID-19 pandemic. The proprietary disinfection devices have been exported to countries in the Middle East and Southeast Asia, with Singapore contributing to about 20% to 30% of the sales by geography. Currently, JCS Greentech has the manufacturing capabilities to produce only 400 of such devices per year, which limits its ability to supply more of such devices. JCS Greentech intends to significantly increase its production capabilities to meet the projected demand of more than 1,000 of such devices per year.

SGX RegCo Query 8

It was disclosed in the 23 November 2021 announcement that “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.”

- a. Please disclose what is the current level of contracts JCS Greentech currently has in relation to its proprietary disinfection devices and whether the projected sales is reasonable in comparison to the current level of operations and sales reported by JCS Greentech.***
- b. Please disclose what “completion and/or delivery” refers to and when is the expected completion or delivery date on which JPS is expected to be paid the one-time fee of S\$950,000.***
- c. Please disclose what is the purpose of the one-time fee of S\$950,000.***
- d. Please disclose which entity will be paying JPS the one-time fee of S\$950,000 and monthly payment of S\$360,000.***
- e. Please disclose when the first Monthly Module Batch is expected to be delivered to JCS Greentech.***
- f. Please disclose the number of Modules that JPS is expected to manufacture for JCS Greentech on a monthly basis.***
- g. Please disclose the number of Modules required in the production of JCS Greentech’s proprietary disinfection devices as well as the historical sales of JCS Greentech’s proprietary disinfection devices, and provide the justification and basis why the proposed new business will provide a recurrent stream of profits for JPS and the Company such that the Company will be able to operate on a going concern.***
- h. Please substantiate with data how this proposed new business will enable the Company to exit the financial watchlist (i.e. audited profits and with market cap of \$40 million by April 2022) or even for the Company to be able to operate as a going concern so as to enable trading resumption.***

Company’s Response

- a.** JCS Greentech is expected to generate approximately S\$2.2 million in sales for FY2021 in relation to its proprietary disinfection devices for hospitals and medical clinics, comprising about 400 proprietary disinfection devices sold in the year. Furthermore due to the high demand for such devices arising from the current COVID-19 pandemic, JCS Greentech intends to build between 80 to 100 proprietary disinfection devices per month. Notwithstanding the foregoing, the Company’s previous disclosures on sales of Modules under the JCS Greentech Contract are not projections, as the contracted and agreed production of Modules under the JCS Greentech Contract is 80 Modules per month for a fixed charge of S\$360,000.
- b.** The “completion and/or delivery” refers to the completion and delivery of the Tooling Production and the delivery of each monthly Module Batch. As of the date of this Announcement, the Tooling Production has been completed and delivered as of 30 November 2021, and JPS is expected to be paid the one-time fee of S\$950,000 shortly.

- c. The purpose of the one-time fee of S\$950,000 is for the Tooling Production, which refers to the development and establishment of tooling, machinery and other production equipment for the production of the Modules. Please refer to the Company's answer to query 5 for further details on the Tooling Production.
- d. JCS Greentech is the customer and will be paying JPS the one-time fee of S\$950,000 and the monthly payment of S\$360,000.
- e. The first Module Batch is expected to be delivered to JCS Greentech before 31 December 2021.
- f. JPS is expected to manufacture 80 sets of Modules for JCS Greentech on a monthly basis, with each set of Module comprising four sub-components.
- g. The production of each of JCS Greentech's proprietary disinfection device would require one (1) Module set each. Historically, the sales of JCS Greentech's proprietary disinfection devices has generated a revenue of S\$1.5 million in FY2020 and is expected to generate approximately S\$2.2 million of revenue in FY2021. In view of the persistence of the current COVID-19 pandemic, it is expected that the increasing demand for proprietary disinfection devices will continue. Please refer to the Company's concurrent announcement dated 30 November 2021 for details on how the Proposed New Business will be able to provide a recurrent stream of profits for JPS and the Company, thereby enabling the Company to operate as a going concern for the foreseeable future.
- h. Please refer to the Company's concurrent announcement dated 30 November 2021 for details on how the Proposed New Business will enable the Company to resume trading and exit the SGX Watch-List by 4 April 2022.

SGX RegCo Query 9

It was disclosed in the 23 November 2021 announcement that "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 resumed at the end of said term for a period of five (5) years each."

- a. ***Please disclose the circumstances that may result in non-compliance of the specific terms and conditions which may in turn lead to a non-renewal notice of the JCS Greentech Contract.***
- b. ***Please disclose what would happen if the Initial Term is not renewed and how JPS and the Company would be able to maintain a profitable recurrent business and operate as a going concern.***

Company's Response

- a. The material circumstances are standard terms relating to the insolvency of either JPS or JCS Greentech, and the inability of either JPS or JCS Greentech to fulfil its obligations to the other party under the JCS Greentech Contract due to a governmental regulatory order or final judgment or decree in any jurisdiction. Such circumstances may result in a non-renewal notice circulated by either JPS or JCS Greentech.
- b. Based on the material circumstances set out in paragraph (a) above, to the best knowledge of the Company and the Investor, there is no reasonably foreseeable circumstances under which

the Initial Term will not be renewed. In fact, given that both the Company and the Investor believe that the Proposed New Business will generate value for both parties, it is in the interest of both parties for the Initial Term to be renewed. Nevertheless, as stated in the Company's Previous Announcement dated 23 November 2021, 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. Therefore, in the event that the Initial Term is not renewed, JPS can still provide such services to other third parties to maintain a profitable recurrent business and operate as a going concern.

SGX RegCo Query 10

It was disclosed in the 23 November 2021 announcement that “[a]s 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.” Please elaborate further on what work is envisaged to be sub-contracted out and to which suppliers / service providers, and explain how JPS will be profitable if it does not have any operations on its own and has to sub-contract out all aspects of any contracts it is awarded.

Company's Response

JPS intends to sub-contract its work for the Tooling Production to third party suppliers and providers. As of the date of this Announcement, JPS has engaged Advance Dynamic Technology Snd Bhd, a third party service provider, for the Tooling Production work. It is anticipated that the cost for sub-contracting out the work stated above is approximately S\$522,000. Even with such cost, it is expected that JPS will be profitable. Please refer to JPS' concurrent announcement dated 30 November 2021 with regard to its monthly revenue and profit projections.

It should also be noted that such sub-contracting arrangement is only for the short run to enable JPS to commence operations as soon as practicably possible, given that JPS is a newly-incorporated company without its own manufacturing capabilities.

SGX RegCo Query 11

It was disclosed in the Company's responses to SGX queries on 8 November 2021 that under the proposed new business, “JCS Greentech will engage the Company's original equipment manufacturing (“OEM”) and original design manufacturing (“ODM”) services via its subsidiary company, ... JPS” and that it is “envisaged that the Proposed New Business will commence soon after the execution of the Definitive Agreement, with the construction of the tooling and machinery/lines required to mass produce the electronic modules being done in November 2021.” Please reconcile this to the disclosure made in the 23 November 2021 announcement that JPS will sub-contract its work to suppliers and/or service providers who will have the requisite manufacturing capability to carry out the JCS Greentech Contract. To disclose clearly what these services will be and differentiate the services contracted to and carried out by the Company in contrast to the services to be carried out by JPS.

Company's Response

There is no conflict and reconciliation required between the two disclosures. The Company is planning to provide all of its services under JPS, its subsidiary. It is not unusual for OEM and ODM providers to sub-contract certain aspects of their work, as most OEM and ODM contracts are on a turnkey basis, i.e. the OEM and ODM provider handles all sub-contracting work and assembly and the customer is under no obligation and usually does not question on which aspects of their products are sub-contracted out. The services being provided to JCS Greentech are OEM services, quality assurance and quality control standard operating procedures, which are different aspects of ordinary OEM and ODM work.

SGX RegCo Query 12

Please clarify whether the Company has retooled its OEM and ODM production machinery to undertake the proposed new business and why JPS has to sub-contract the production to other service providers.

- a. If the Company has not retooled its OEM and ODM production machinery, please explain when the Company is targeting to do so.***
- b. Please elaborate and provide details of the costs of the sub-contracting of the production to other suppliers and how this impacts the Company's ability to maintain a profitable recurrent business and operate as a going concern. Please also disclose whether the Company is able to meet the requirements of a trading resumption and exit the watchlist by 4 April 2022 given the sub-contracting of the production to other suppliers.***

Company's Response

- a. Given the difficult circumstances in the past few years, the Group currently does not own any production machinery. As mentioned in the Company's announcement dated 17 September 2018, the Group had undertaken the closure of the production facility of its wholly-owned subsidiary, Plastoform Electronics (Shenzhen) Company Limited in Shenzhen, People's Republic of China, as part of the Group's continuing efforts to restructure its business and improve its operational efficiency and cost effectiveness.

Notwithstanding the above, as stated in the Company's Previous Announcement dated 23 November 2021, JPS is relying on the Group's expertise in OEM services, quality assurance and quality control standard operating procedures and not its production machinery. Details of the experience and expertise of the Group's key management are set out in the Company's response to query 6 above. In addition, as noted in the Company's response to query 10 above, JPS will eventually be equipped with the requisite production machinery and establish its own manufacturing capabilities.

- b. Please refer to the Company's response to query 10 above, as well as the Company's concurrent announcement dated 30 November 2021 for the basis on which the Proposed New Business will enable the Company to resume trading and exit the SGX Watch-List by 4 April 2022.

SGX RegCo Query 13

It was disclosed in the 23 November 2021 announcement that “[t]he 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.”

- a. Please clarify whether JPS currently has contracts for the supply of design and manufacturing services to other third parties.***
- b. If the JCS Greentech Contract is not on an exclusive basis and JCS Greentech is free to engage other suppliers to supply the required Modules, please clarify the basis that the proposed new business will allow the Company to resume trading and exit the watchlist by 4 April 2022.***

Company's Response

- a. Currently, JPS does not have any contracts for the supply of design and manufacturing services to other third parties.
- b. For the avoidance of doubt, the non-exclusive basis of the JCS Greentech Contract means that JPS is free to engage in and offer design and/or manufacturing services to other customers. Furthermore, notwithstanding that the JCS Greentech Contract is not on an exclusive basis, as stated in the Company's Previous Announcement dated 23 November 2021, JPS shall manufacture and deliver the monthly Module Batch for an initial term of one (1) calendar year, which shall be automatically renewed at the end of the said term for a period of five (5) years each provided that all terms and conditions of JPS have been complied with and no non-renewal notice is circulated by either party. Please refer to the Company's concurrent announcement dated 30 November 2021 for the basis on which the Proposed New Business will enable the Company to resume trading and exit the SGX Watch-List by 4 April 2022.

Cautionary Statement

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

30 November 2021

Appendix – Cash Flow Projections

The monthly cash flow projection of the Company is set out below:

	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23
Cash Flow from Operations	382,459	44,959	53,146	53,146	53,146	54,984	54,984	54,984	84,824	84,824	84,824	64,345	64,345	64,345	67,523
Changes in Inventory (Raw Material) ⁱ	(540,000)	180,000	180,000	(410,000)	180,000	205,000	(504,000)	205,000	252,000	(504,000)	252,000	252,000	(756,000)	252,000	252,000
Cash flows from investing activities															
CAPEX (setting up assembly lines) ⁱⁱ				(100,000)	(100,000)	(100,000)	(100,000)								
Cash flows from financing activities															
Drawdown from Convertible Loans ⁱⁱⁱ	500,000			500,000			500,000			500,000					(500,000)
Repayment of creditors ^{iv}	(56,636)	(117,269)	(55,450)		(38,443)			(42,487)			(500,000)				
Net (decrease) in cash and cash equivalents	285,823	107,690	177,696	43,146	94,703	159,984	(49,016)	217,497	336,824	80,824	(163,176)	316,345	(691,655)	316,345	(180,477)
Cash and cash equivalents at the beginning of the month	0	285,823	393,513	571,209	614,355	709,058	869,042	820,026	1,037,523	1,374,347	1,455,171	1,291,995	1,608,340	916,685	1,233,030
Cash and cash equivalents at the end of the month	285,823	393,513	571,209	614,355	709,058	869,042	820,026	1,037,523	1,374,347	1,455,171	1,291,995	1,608,340	916,685	1,233,030	1,052,553
<i>i - Assuming raw material is kept for bought in bulk every 3 months for production requirements in the next 3 months. Raw material is assumed to cost 50% of the product value</i>															
<i>ii - Assuming investment into PPE for attracting and taking on new customers in April</i>															
<i>iii - Assuming drawdown of the Convertible Loans in 4 equal portions every 3 months. S\$1.5 million to be converted into equity and the balance S\$500,000 to be repaid in January 2023</i>															
<i>iv - Assuming the Scheme of Arrangement take effects and the first pay out to creditors under the scheme starts in September 2022</i>															

Shareholders are to note that the projections above referred to above are only predictions to the best of the Company's knowledge. No warranty is made to Shareholders that the actual future results, performance or achievements of the Company, the Group and/or the Proposed New Business will be as discussed in those projections.