



PLASTEC TECHNOLOGIES REPORTS 2016 FIRST QUARTER FINANCIAL RESULTS

Hong Kong – May 10, 2016 – Plastec Technologies, Ltd. - (OTCBB: PLTYF (ordinary shares), PLTEF (units)) (“Plastec” or the “Company”), an integrated plastic manufacturing services provider that operates in the People’s Republic of China and Thailand, today reported unaudited financial results for fiscal 2016 first quarter ended March 31, 2016. See financial tables at the end of this release in Hong Kong dollars (HKD). All other amounts in this press release are presented in U.S. dollars (USD) with a conversion rate of US\$1.0: HK\$7.8.

Financial and Operating Highlights for the Three Months Ended March 31, 2016 (all comparisons to prior year)

- Sales of \$39.6 million, an increase of 5.5% compared to \$37.6 million, as a result of increasing local sales in China.
- Gross margin of 29.5%, compared to 25.3%, resulting primarily from effective execution of cost-containment strategies
- Adjusted EBITDA of \$9.7 million, compared to \$8.5 million
- Net income of \$7.2 million, or \$0.56 per diluted share based on 12.9 million diluted shares outstanding, compared to \$4.5 million, or \$0.35 per diluted share based on 12.9 million diluted shares outstanding
- \$10.8 million in cash generated from operations for the period ended March 31, 2016, compared to \$5.6 million

Balance Sheet Highlights

- \$78.0 million in working capital at March 31, 2016, compared to \$73.4 million at December 31, 2015. Working capital increased despite the Company having incurred \$2.6 million in dividend expense during the period.
- Book value per share of \$9.59 at March 31, 2016, compared to \$9.32 at December 31, 2015

Dividends Distribution

- In May 2015, the Company’s Board of Directors declared a special one-time cash dividend of \$0.90 on each outstanding ordinary share. The special cash dividend was paid on or about June 2, 2015 to shareholders of record as of May 26, 2015.
- In August 2015, the Company’s Board of Directors declared an interim cash dividend of \$0.10 per ordinary share for the fiscal 2015 second quarter ended June 30, 2015. The interim cash dividend was paid on or about August 27, 2015 to shareholders of record as of August 20, 2015.
- In March 2016, the Company’s Board of Directors also declared a final cash dividend for the fiscal year ended December 31, 2015 of \$0.20 per ordinary share. The dividend was paid on or about April 12, 2016 to shareholders of record as of April 5, 2016.

Update on Share Transfer Agreement

In December 2015, the Company’s shareholders voted to approve the previously announced Share Transfer Agreement with Shanghai Yongli Belting Co., Ltd. (“SYB”) and its wholly-owned subsidiary, Shanghai Yongjing Investment Management Co., Ltd. (“SYIM”), pursuant to which SYIM will purchase, through a to-be-formed wholly-owned Hong Kong subsidiary, the entirety of the Company’s shareholding interests in its wholly-owned subsidiary, Plastec International Holdings Limited.

Closing is expected in 2016 and is contingent on certain closing conditions including SYB’s receipt of external financing.

Management Comments

Mr. Kin Sun Sze-To, Chairman of Plastec, stated, “The first quarter was a strong start to 2016, as Plastec achieved higher sales, significant improvements in gross margin as a result of capturing more first-run product lines, and continued progression in maintaining costs that allowed our Company to achieve a 61.3% increase in net income in comparison with same quarter in the prior year. We are benefitting from the investments made into our operations over the past few years, which has increased our capabilities to adjust robustly to the needs of our long-term clients. We generated \$10.8 million

in cash from operations during the period, which is the highest quarterly total since the Company became public, and expect to continue reinvesting in our facilities in the years ahead.”

Selected Financial Highlights			
(USD in millions, except number of shares and per share data)			
(Results and percentages rounded to the nearest tenth)			
	3 months ended March 31, 2016	3 months ended March 31, 2015	Percentage Change
Sales	\$39.6	\$37.6	5.5%
Cost of Revenues	\$27.9	\$28.1	(0.5%)
Gross Profit	\$11.7	\$9.5	23.3%
Gross Profit Ratio	29.5%	25.3%	4.2 pts
Income from Operations	\$7.1	\$5.3	32.2%
Operating Margin	17.8%	14.2%	3.6 pts
Net Income	\$7.2	\$4.5	61.3%
Net Margin	18.3%	11.9%	6.4 pts
Weighted Average Number of Diluted Shares Outstanding	12,938,128	12,938,128	
Diluted EPS	\$0.56	\$0.35	63.0%
Adjusted EBITDA*	\$9.7	\$8.5	13.3%

* Reconciliation table at end of release

Balance Sheet Highlights (USD in Millions)			
	<u>3/31/2016</u>	<u>12/31/2015</u>	Percentage Change
Cash and Cash Equivalents	\$70.9	\$60.9	16.4%
Total Current Assets	\$127.2	\$119.8	6.2%
Total Assets	\$173.3	\$167.0	3.7%
Working Capital	\$78.0	\$73.4	6.3%
Total Liabilities	\$49.2	\$46.4	6.0%
Shareholders' Equity	\$124.1	\$120.6	2.9%
Total Liabilities and Shareholders' Equity	\$173.3	\$167.0	3.7%

Financial Review

- Total sales for three months ended March 31, 2016 increased to \$39.6 million from \$37.6 million in the prior-year period. The increase was due to the Company's focused on soliciting new orders from existing and new customers along with increased local sales in China.
- The Company's gross profit increased by 23.3% to \$11.7 million during the period ended March 31, 2016, with gross margin improving to 29.5% from 25.3% for the prior prior-year period. The increase in gross profit and margin was due to the continued progression of the Company towards targeting new product orders, which typically generate a greater margin.
- Income from operations was \$7.1 million, or 17.8% of revenues, during the period ended March 31, 2016, compared to \$5.3 million, or 14.2% of revenues, in the prior-year period. The improved operating margin was largely due to the higher new product orders cited above, along with decreased selling, general and administrative expenses as a percentage of revenues.
- Similarly, net income for the period ended March 31, 2016 was \$7.2 million or \$0.56 per share based on approximately 12.9 million weighted average diluted shares outstanding, compared to \$4.5 million or \$0.35 per share based on approximately 12.9 million weighted average diluted shares, in the prior-year period.

Adjusted EBITDA for the three months ended March 31, 2016 was \$9.7 million, compared to \$8.5 million in the prior-year period.

Update on Securities Repurchase Plan

The Company has a repurchase plan in place, expanded and extended through September 25, 2016, allowing it to purchase up to \$5 million of its securities in both open market and privately negotiated transactions at the discretion of the Company's management and as market conditions allow; which repurchase plan may be suspended, modified or discontinued without any notice at any time. The plan has currently been suspended due to the proposed transaction with SYB. As of the date of this press release, the Company had repurchased 586,010 ordinary shares, 547,600 warrants and no units under the current plan.

About Plastec

Originally founded in 1993 by Chairman and CEO, Mr. Kin Sun Sze-To, Plastec is an integrated plastic manufacturing services provider that operates in the People's Republic of China and Thailand through its wholly owned subsidiaries. With around 4,400 employees, Plastec provides precision plastic manufacturing services from mold design and fabrication, plastic injection manufacturing to secondary-process finishing, as well as parts assembly.

Forward Looking Statements

This press release contains "forward-looking statements." These forward-looking statements involve significant risks and uncertainties that could cause the actual results to differ materially from the expected results. Actual results may differ from expectations, estimates and projections and, consequently, you should not rely on these forward looking statements as predictions of future events. Words such as "expect," "estimate," "project," "budget," "forecast," "anticipate," "intend," "plan," "may," "will," "could," "should," "believes," "predicts," "potential," "continue," and similar expressions are intended to identify such forward-looking statements.

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PLASTEC TECHNOLOGIES, LTD.
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME (Unaudited)
(Hong Kong dollars in thousands, except number of shares, per share data and unless otherwise stated)

	For the 3-month	
	period ended March 31,	
	2016	2015
	HK\$	HK\$
Revenues	308,901	292,892
Cost of revenues	(217,732)	(218,926)
Gross profit	<u>91,169</u>	<u>73,966</u>
Operating income/(expenses), net		
Selling, general and administrative expenses	(38,214)	(32,361)
Other income	2,053	297
Written-off of property, plant and equipment	-	(433)
Gain on disposal of property, plant and equipment	14	137
Total operating expenses, net	<u>(36,147)</u>	<u>(32,360)</u>
Income from operations	55,022	41,606
Interest income	485	651
Interest expense	(152)	(313)
Income before income tax expense	<u>55,355</u>	<u>41,944</u>
Income tax credit/(expense)	1,096	(6,949)
Net income	<u>56,451</u>	<u>34,995</u>
Other comprehensive (expenses)/ income		
Foreign currency translation adjustment	(9,291)	4,844
Comprehensive income attributable to Plastec Technologies, Ltd.	<u>47,160</u>	<u>39,839</u>
Net income per share:		
Weighted average number of ordinary shares	<u>12,938,128</u>	<u>12,938,128</u>
Weighted average number of diluted ordinary shares	<u>12,938,128</u>	<u>12,938,128</u>
Basic income per share attributable to Plastec Technologies, Ltd.	<u>HK\$4.4</u>	<u>HK\$2.7</u>
Diluted income per share attributable to Plastec Technologies, Ltd.	<u>HK\$4.4</u>	<u>HK\$2.7</u>

PLASTEC TECHNOLOGIES, LTD.
CONSOLIDATED BALANCE SHEETS
(Hong Kong dollars in thousands, except number of shares, per share data and unless otherwise stated)

	(Unaudited)	(Audited)
	March 31,	December 31,
	2016	2015
	HK\$	HK\$
ASSETS		
Current assets		
Cash and cash equivalents	553,117	475,361
Trade receivables, net of allowances for doubtful accounts of HK\$ nil, and HK\$ nil as of March 31, 2016 and December 31, 2015, respectively	288,060	303,681
Inventories	97,843	105,221
Bills receivable	17,259	5,782
Deposits, prepayment and other receivables	36,099	44,473
Total current assets	992,378	934,518
Property, plant and equipment, net	322,414	336,491
Prepaid lease payments, net	17,783	18,165
Deferred tax assets	18,539	13,260
Intangible assets	459	438
Total assets	1,351,573	1,302,872
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Bank borrowings	45,899	29,223
Trade payables	94,681	111,658
Other payables and accruals	154,110	152,095
Dividend payables	20,183	-
Tax payable	69,037	69,210
Total current liabilities	383,910	362,186
Bank borrowings	-	-
Total liabilities	383,910	362,186
Commitments and contingencies	-	-
Shareholders' equity		
Ordinary shares (US\$0.001 par value; 100,000,000 authorized 12,938,128 and 12,938,128 shares issued and outstanding as of March 31, 2016 and December 31, 2015, respectively)	101	101
Additional paid-in capital	26,049	26,049
Accumulated other comprehensive income	(1,692)	7,599
Retained earnings	943,205	906,937
Total shareholders' equity	967,663	940,686
Total liabilities and shareholders' equity	1,351,573	1,302,872

PLASTEC TECHNOLOGIES, LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(Hong Kong dollars in thousands, except number of shares, per share data and unless otherwise stated)

	For the 3-month	
	period ended March 31,	
	2016	2015
	HK\$	HK\$
Operating activities		
Net income	56,451	34,995
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	22,353	24,862
Loss on written-off of property, plant and equipment	-	433
Gain on disposal of property, plant and equipment	(14)	(137)
Deferred tax charge	(5,438)	(1,335)
Changes in operating assets and liabilities:		
Trade receivables	19,951	2,705
Inventories	7,378	7,859
Deposits, prepayment and other receivables	(3,103)	(15,431)
Trade payables	(16,977)	(15,315)
Other payables and accruals	3,341	1,530
Tax payables	76	3,397
Net cash provided by operating activities	84,018	43,563
Investing activities		
Purchase of property, plant and equipment	(13,642)	(27,882)
Purchase of intangible asset	(21)	-
Proceeds from disposal of property, plant and equipment	17	1,269
Net cash used in investing activities	(13,646)	(26,613)
Financing activities		
Net repayment of bank borrowings	16,675	-
Net cash provided by financing activities	16,675	-
Effect of exchange rate changes on cash and cash equivalents	(9,291)	4,844
Net increase in cash and cash equivalents	87,047	16,950
Cash and cash equivalents, beginning of period	475,361	528,527
Cash and cash equivalents, end of period	553,117	550,321
Supplementary disclosures of cash flow information:		
Interest received, net	333	338
Income taxes paid	4,266	4,888

PLASTEC TECHNOLOGIES, LTD.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (Unaudited)
(Hong Kong dollars in thousands)

		Three Months Ended	
		March 31,	
		2016	2015
		HKD	HKD
Net Income (note)		<u>54,384</u>	<u>34,994</u>
Plus	Interest expenses	152	313
Minus	Interest income	(485)	(651)
Plus	Income tax (credit)/expenses	(1,096)	6,949
	Income from operations	<u>52,955</u>	<u>41,605</u>
Plus	Depreciation and Amortization	22,353	24,862
	Adjusted EBITDA	<u>75,308</u>	<u>66,467</u>

Note: Excl. other income and gain/(loss) on disposals/written-off

This press release includes financial information (EBITDA) not derived in accordance with generally accepted accounting principles or international financial reporting standards. Plastec believes that the presentation of such financial information provides more useful information to investors as it indicates more clearly Plastec's future performance. EBITDA was derived by taking earnings before interest expense (net), taxes, depreciation and amortization