



**PLASTEC TECHNOLOGIES REPORTS 2016 SECOND QUARTER
AND SIX-MONTH FINANCIAL RESULTS;
ANNOUNCES EXTENSION OF SECURITIES REPURCHASE PLAN;
DECLARES INTERIM CASH DIVIDEND OF \$0.10 PER SHARE**

Hong Kong – August 5, 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 second quarter and six-month ended June 30, 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 June 30, 2016
(All comparisons to same period of prior year)**

- Sales of \$47.5 million, an increase of 14.7% compared to \$41.4 million
- Gross margin of 28.6%, compared to 21.6%
- Adjusted EBITDA of \$11.5 million, an increase of 67.5% compared to \$6.9 million
- Net income of \$6.8 million, or \$0.53 per diluted share based on 12.9 million diluted shares outstanding, increased 92.9% from \$3.5 million, or \$0.27 per diluted share based on 12.9 million diluted shares outstanding

**Fiscal 2016 Six-Month Financial and Operating Highlights
(All comparisons to same period of prior year)**

- Sales of \$87.1 million, an increase of 10.3% compared to \$78.9 million
- Gross margin of 29.0%, compared to 23.4%
- Adjusted EBITDA of \$21.2 million, an increase of 37.5% compared to \$15.4 million
- Net income of \$14.0 million, or \$1.08 per diluted share based on 12.9 million diluted shares outstanding, increased 75.2% from \$8.0 million, or \$0.62 per diluted share based on 12.9 million diluted shares outstanding
- \$15.0 million in cash generated from operations for the six months ended June 30, 2016, compared to \$13.1 million

Balance Sheet Highlights

- \$87.0 million in working capital at June 30, 2016, compared to \$73.4 million at December 31, 2015
- Book value per share of \$10.11 at June 30, 2016 compared to \$9.32 at December 31, 2015

Company Declares Interim Cash Dividend

- Today, the Company’s Board of Directors declared an interim cash dividend of \$0.10 per ordinary share for the fiscal 2016 second quarter ended June 30, 2016. The interim cash dividend will be paid on or about August 26, 2016 to shareholders of record as of August 19, 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 the latter part of 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, “We are pleased to have achieved higher net income, improved margins and cash from operations during the period, driven by increased efficiency across our entire organization and higher sales to long-term customers in the PRC. Our Thailand and Shenzhen operations are operating at efficient scale, and Plastec has continued to maintain a lean and robust operating infrastructure while still adhering to our core philosophy of providing integrated precision plastic manufacturing services to customers. Our strong financial condition has benefited the Company through multiple product cycles, and we believe this will provide us with a long-term advantage over many of our lesser capitalized competitors who may not be able to consistently upgrade their facilities to the degree that Plastec has done in recent years. In addition, our cash generation has allowed the Company to reward our shareholders for their lasting supports in the form of dividend payments through this period of growth.”

Selected Financial Highlights in USD (\$ in millions, except number of shares and per share data)

	3 months ended June 30, 2016	3 months ended June 30, 2015	Percentage Change	6 months ended June 30, 2016	6 months ended June 30, 2015	Percentage Change
Sales	\$47.5	\$41.4	14.7%	\$87.1	\$78.9	10.3%
Cost of Revenues	\$33.9	\$32.4	4.5%	\$61.8	\$60.5	2.1%
Gross Profit	\$13.6	\$9.0	51.7%	\$25.3	\$18.4	37.1%
Gross Profit Margin	28.6%	21.6%	7.0pts	29.0%	23.4%	5.6pts
Income from Operations	\$9.0	\$4.0	124.3%	\$16.0	\$9.3	71.7%
Operating Margin	18.9%	9.7%	9.2pts	18.4%	11.8%	6.6pts
Net Income	\$6.8	\$3.5	92.9%	\$14.0	\$8.0	75.2%
Net Margin	14.3%	8.5%	5.8 pts	16.1%	10.1%	6.0 pts
Weighted Average Number of Diluted Ordinary Shares						
Outstanding	12,938,128	12,938,128		12,938,128	12,938,128	
Diluted EPS	\$0.53	\$0.27	95.2%	\$1.08	\$0.62	77.1%
Adjusted EBITDA*	\$11.5	\$6.9	67.5%	\$21.2	\$15.4	37.5%

* Reconciliation table at end of release

Balance Sheet Highlights (USD in Millions)

	6/30/2016	12/31/2015	Percentage Change
Cash and Cash Equivalents	\$70.4	\$60.9	15.5%
Total Current Assets	\$132.6	\$119.8	10.7%
Total Assets	\$176.5	\$167.0	5.7%
Working Capital	\$87.0	\$73.4	18.6%
Total Liabilities	\$45.6	\$46.4	(1.8%)
Shareholders' Equity	\$130.9	\$120.6	8.5%
Total Liabilities and Shareholders' Equity	\$176.5	\$167.0	5.7%

2016 Second Quarter and First Half Financial Review

- Total sales for three months ended June 30, 2016 increased to \$47.5 million from \$41.4 million in the prior-year period. Total sales for the six months ended June 30, 2016 increased to \$87.1 million from \$78.9 million in the prior-year period. The double-digit growth for both second quarter and first half of 2016, 14.7% and 10.3%, respectively, was primarily a result of increased sales order, particularly from the PRC market.
- The Company's gross profit increased 51.7% from \$9.0 million to \$13.6 million during the second quarter ended June 30, 2016, and gross profit margin improved to 28.6% from 21.6% for the prior-year period. The Company's gross profit increased 37.1% from \$18.4 million, or 23.4% of revenues, to \$25.3 million, or 29.0% of revenues, in the prior-year period. The increase in gross profit was attributable to a product mix that included new product orders, which typically generate a greater margin.

- Income from operations increased to \$9.0 million, or 18.9% of revenues, during the second quarter ended June 30, 2016, compared \$4.0 million, or 9.7% of revenues, in the prior-year period. For the six-month period, income from operations increased to \$16.0 million, or 18.4% of the revenues, compared to \$9.3 million, or 11.8% of the revenues, in the prior-year period. The increase was mainly attributable to greater efficiencies achieved at the Company's Shenzhen and Thailand facilities.
- Net income for the second quarter ended June 30, 2016 increased to \$6.8 million or \$0.53 per share based on approximately 12.9 million weighted average diluted shares outstanding, compared to \$3.5 million or \$0.27 per share based on approximately 12.9 million weighted average diluted shares, in the prior-year period. For the first half of 2016, the Company's net income increased to \$14.0 million, or \$1.08 per share based on 12.9 million weighted average shares outstanding, compared to \$8.0 million, or \$0.62 per share based on 12.9 million weighted average shares outstanding, in the prior-year period.
- Adjusted EBITDA for the three months ended June 30, 2016 was \$11.5 million, compared to \$6.9 million in the prior-year period. For the first half of 2016, adjusted EBITDA was \$21.2 million, compared to \$15.4 million in the prior-year period.

Dividends Distribution Details

- 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.
- Today, the Company's Board of Directors declared an interim cash dividend of \$0.10 per ordinary share for the fiscal 2016 second quarter ended June 30, 2016. The interim cash dividend will be paid on or about August 26, 2016 to shareholders of record as of August 19, 2016.

Update on Securities Repurchase Plan

The Company announced today that its Board of Directors has approved a further extension of its existing securities repurchase plan (as expanded) through September 25, 2017, 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 is currently 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 approximately 4,500 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 June 30,		For the 6-month period ended June 30,	
	2016	2015	2016	2015
	HK\$	HK\$	HK\$	HK\$
Revenues	370,236	322,811	679,137	615,703
Cost of revenues	(264,314)	(252,989)	(482,046)	(471,915)
Gross profit	105,922	69,822	197,091	143,788
Operating expenses, net				
Selling, general and administrative expenses	(37,464)	(40,433)	(75,678)	(72,795)
Other income	1,294	391	3,347	687
Written-off of property, plant and equipment	-	(829)	-	(1,261)
Gain on disposal of property, plant and equipment	334	2,293	348	2,430
Total operating expenses, net	(35,836)	(38,578)	(71,983)	(70,939)
Income from operations	70,086	31,244	125,108	72,849
Interest income	186	284	671	935
Interest expense	(220)	(488)	(372)	(800)
Income before income tax expense	70,052	31,040	125,407	72,984
Income tax expense	(17,020)	(3,551)	(15,924)	(10,500)
Net income	53,032	27,489	109,483	62,484
Other comprehensive income				
Foreign currency translation adjustment	36	(263)	(9,255)	4,581
Comprehensive income attributable to Plastec Technologies, Ltd.	53,068	27,226	100,228	67,065
Net income per share:				
Weighted average number of ordinary shares	12,938,128	12,938,128	12,938,128	12,938,128
Weighted average number of diluted ordinary shares	12,938,128	12,938,128	12,938,128	12,938,128
Basic income per share attributable to Plastec Technologies, Ltd.	HK\$4.1	HK\$2.1	HK\$8.5	HK\$4.8
Diluted income per share attributable to Plastec Technologies, Ltd.	HK\$4.1	HK\$2.1	HK\$8.5	HK\$4.8

PLASTEC TECHNOLOGIES, LTD.

CONSOLIDATED BALANCE SHEETS

(Hong Kong dollars in thousands, except number of shares, per share data and unless otherwise stated)

	(Unaudited)	(Audited)
	June 30, 2016	December 31, 2015
	HK\$	HK\$
ASSETS		
Current assets		
Cash and cash equivalents	549,035	475,361
Trade receivables, net of allowances for doubtful accounts of HK\$nil, and HK\$nil as of June 30, 2016 and December 31, 2015, respectively	347,468	303,681
Inventories	77,163	105,221
Bills receivable	16,794	5,782
Deposits, prepayment and other receivables	43,867	44,473
Total current assets	1,034,327	934,518
Property, plant and equipment, net	306,552	336,491
Prepaid lease payments, net	17,402	18,165
Deferred tax assets	17,654	13,260
Intangible assets	562	438
Total assets	1,376,497	1,302,872
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Bank borrowings	32,999	29,223
Trade payables	100,140	111,658
Other payables and accruals	144,783	152,095
Tax payable	77,844	69,210
Total current liabilities	355,766	362,186
Bank Borrowings	-	-
Total liabilities	355,766	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 June 30, 2016 and December 31, 2015, respectively)	101	101
Additional paid-in capital	26,049	26,049
Accumulated other comprehensive income	(1,656)	7,599
Retained earnings	996,237	906,937
Total shareholders' equity	1,020,731	940,686
Total liabilities and shareholders' equity	1,376,497	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 6-month period ended June 30,	
	2016	2015
	HK\$	HK\$
Operating activities		
Net income	109,483	62,484
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	43,747	49,105
Loss on written-off of property, plant and equipment	-	1,261
Gain on disposal of property, plant and equipment	(348)	(2,430)
Deferred tax credit	(4,553)	(3,796)
Changes in operating assets and liabilities:		
Trade receivables	(39,266)	(29,343)
Inventories	28,058	(5,987)
Deposits, prepayment and other receivables	(10,406)	(9,931)
Trade payables	(11,518)	26,966
Other payables and accruals	(7,313)	14,369
Tax payables	9,117	(882)
Net cash provided by operating activities	<u>117,001</u>	<u>101,816</u>
Investing activities		
Purchase of property, plant and equipment	(17,948)	(61,290)
Purchase of intangible assets	(124)	-
Proceeds from disposal of property, plant and equipment	408	4,028
Net cash used in investing activities	<u>(17,664)</u>	<u>(57,262)</u>
Financing activities		
Net proceeds from bank borrowings	3,775	11,635
Dividends paid	(20,183)	(111,009)
Net cash used in financing activities	<u>(16,408)</u>	<u>(99,374)</u>
Net increase/(decrease) in cash and cash equivalents	82,929	(54,820)
Effect of exchange rate changes on cash and cash equivalents	(9,255)	4,581
Cash and cash equivalents, beginning of period	475,361	528,527
Cash and cash equivalents, end of period	<u>549,035</u>	<u>478,288</u>
Supplementary disclosures of cash flow information:		
Interest received, net	299	135
Income taxes paid	<u>(11,360)</u>	<u>(15,178)</u>

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

		Three Months Ended		Six Months Ended	
		June 30,		June 30,	
		2016	2015	2016	2015
		HKD	HKD	HKD	HKD
Net Income (note)		51,404	25,634	105,788	60,628
Plus	Interest expenses	220	488	372	800
Minus	Interest income	(186)	(284)	(671)	(935)
Plus	Income tax expenses	17,020	3,551	15,924	10,500
Income from operations		<u>68,458</u>	<u>29,389</u>	<u>121,413</u>	<u>70,993</u>
Plus	Depreciation and Amortization	21,394	24,243	43,747	49,105
Adjusted EBITDA		<u>89,852</u>	<u>53,632</u>	<u>165,160</u>	<u>120,098</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.