



PLASTEC TECHNOLOGIES REPORTS 2015 THIRD QUARTER AND NINE-MONTH FINANCIAL RESULTS

Hong Kong – November 17, 2015 – Plastec Technologies, Ltd. - (OTCBB: PLTYF (ordinary shares), PLTEF (units)) (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 2015 third quarter and nine-month ended September 30, 2015. 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 September 30, 2015 (All comparisons to prior year)

- Sales of \$46.2 million, an increase of 5.1% compared to \$44.0 million
- Gross margin of 28.7%, compared to 25.8%, resulting primarily from increasing orders of higher-margin products
- Adjusted EBITDA of \$9.8 million, compared to \$8.7 million
- Net income of \$6.5 million, or \$0.50 per diluted share, compared to \$4.3 million, or \$0.33 per diluted share (both periods based on 12.9 million weighted average number of diluted ordinary shares)

Fiscal 2015 Nine-Month Financial and Operating Highlights (All comparisons to same period of prior year)

- Sales of \$125.2 million, an increase of 10.9% compared to \$112.9 million
- Gross margin of 25.3%, compared to 23.2%
- Adjusted EBITDA of \$25.2 million, compared to \$23.4 million
- Net income of \$14.5 million, or \$1.12 per diluted share compared to \$14.4 million, or \$1.12 per diluted share (both periods based on 12.9 million weighted average number of diluted ordinary shares)
- \$21.8 million in cash generated from operations for the nine months ended September 30, 2015, compared to \$23.4 million

Balance Sheet Highlights

- \$73.8 million in working capital at September 30, 2015, compared to \$82.5 million at December 31, 2014
- Book value per share of \$9.15 at September 30, 2015

Management Comments

Mr. Kin Sun Sze-To, Chairman of the Company, stated, “Our results for the third quarter were indicative of our ability to generate steady earnings growth by focusing on higher margin orders that leverage our dedication and expertise in mold design and fabrication. Our integrated manufacturing ability and just in time delivery from our manufacturing facilities in Guangdong and Jiangsu Province, China as well as in Bangkok of Thailand, allows our customers to focus on other aspects of the production and marketing of their products. This has allowed us to successfully establish and maintain long-term business relationships with many of our customers. Most of our major customers have been doing business with us for more than five years and some of them for over 10 years. We feel that the nature of our industry creates a natural barrier, as a vendor qualification process typically takes 6 to 18 months in the plastics industry for precision plastic manufacturing services. This is the principal reason that we devote time and resources to the support of our long-term clients. During the period, these clients continued to be the principal driver of our sales, with many selling follow-up orders of higher-margin products. We were pleased to report a strong operating period and look forward to keeping investors apprised of our progress.”

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

	3 months ended September 30, 2015	3 months ended September 30, 2014	Percentage Change*	9 months ended September 30, 2015	9 months ended September 30, 2014	Percentage Change*
Sales	\$46.2	\$44.0	5.1%	\$125.2	\$112.9	10.9%
Cost of Revenues	\$33.0	\$32.7	1.0%	\$93.5	\$86.7	7.9%
Gross Profit	\$13.3	\$11.3	16.9%	\$31.7	\$26.2	21.0%
Gross Profit Margin	28.7%	25.8%	2.9 pts	25.3%	23.2%	2.1 pts
Income from Operations	\$7.1	\$5.4	31.5%	\$16.4	\$16.8	(2.5)%
Operating Margin	15.3%	12.2%	3.1 pts	13.1%	14.9%	(1.8) pts
Net Income	\$6.5	\$4.3	51.4%	\$14.5	\$14.4	0.3%
Net Margin	14.0%	9.7%	4.3 pts	11.6%	12.8%	(1.2) pts
Weighted Average Number of Diluted Ordinary Shares Outstanding	12,938,128	12,938,128		12,938,128	12,938,128	
Diluted EPS	\$0.50	\$0.33	50%	\$1.12	\$1.12	0%
Adjusted EBITDA**	\$9.8	\$8.7	12.5%	\$25.2	\$23.4	7.7%

* Percentage change from full HKD statement of operations

** Reconciliation table at end of release

Balance Sheet Highlights (USD in Millions)

	<u>9/30/2015</u>	<u>12/31/2014</u>
Cash and Cash Equivalents	\$62.3	\$67.8
Total Current Assets	\$123.2	\$122.2
Total Assets	\$168.7	\$163.0
Working Capital	\$73.8	\$82.5
Total Liabilities	\$50.4	\$43.4
Shareholders' Equity	\$118.4	\$119.6
Total Liabilities and Shareholders' Equity	\$168.7	\$163.0

2015 Third Quarter and Nine Months Financial Review

- Total sales for three months ended September 30, 2015 increased by 5.1% to \$46.2 million from \$44.0 million in the prior-year period. Total sales for the nine months period ended September 30, 2015 increased by 10.9% to \$125.2 million from \$112.9 million in the prior-year period. The growth for both periods was due to higher sales from both existing and new clients.
- The Company's gross profit increased by 16.9% to \$13.3 million from \$11.3 million during the third quarter ended September 30, 2015, and gross profit margin improved to 28.7% from 25.8% for the prior-year period. For the nine months period ended September 30, 2015, the Company's gross profit was \$31.7 million, or 25.3% of revenues, compared to \$26.2 million, or 23.2% of revenues, in the prior-year period. The increase in gross profit was attributable to better margins on products and continuing cost control effort throughout the period.
- Income from operations was \$7.1 million, or 15.3% of revenues, during the third quarter ended September 30, 2015, compared to \$5.4 million, or 12.2% of revenues, in the prior-year period. For the nine months period, income from operations was \$16.4 million, or 13.1% of revenues, compared to \$16.8 million, or 14.9% of the revenues for the prior-year period. The decline was mainly attributable to a one-time \$3.7 million gain on disposal of a subsidiary recorded in the first nine months of 2014. Excluding the effect of this prior corresponding period one-off transaction, our operating income before tax increased by 25.7%.

- Net income for the third quarter ended September 30, 2015 was \$6.5 million or \$0.50 per share based on approximately 12.9 million weighted average diluted shares outstanding, compared to \$4.3 million, or \$0.33 per share based on approximately 12.9 million weighted average diluted shares, in the prior-year period. For the first nine month of 2015, the Company's net income was \$14.5 million, or \$1.12 per share based on 12.9 million weighted average shares outstanding, compared to \$14.4 million, or \$1.12 per share based on 12.9 million weighted average shares outstanding, in the prior-year period.
- Adjusted EBITDA for the three months ended September 30, 2015 was \$9.8 million, compared to \$8.7 million in the prior-year period. For the first nine months of 2015, adjusted EBITDA was \$25.2 million, compared to \$23.4 million in the prior-year period.

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. 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 Us

Originally founded in 1993 by Chairman and CEO, Mr. Kin Sun Sze-To, we are an integrated plastic manufacturing services provider that operates in the People's Republic of China and Thailand through its wholly owned subsidiaries. With approximately 4,800 employees, we provide 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		For the 9-month	
	period ended September 30,		period ended September 30,	
	2015	2014	2015	2014
	HK\$	HK\$	HK\$	HK\$
Revenues	360,712	343,270	976,415	880,463
Cost of revenues	(257,249)	(254,790)	(729,164)	(676,045)
Gross profit	<u>103,463</u>	<u>88,480</u>	<u>247,251</u>	<u>204,418</u>
Operating expenses, net				
Selling, general and administrative expenses	(49,851)	(47,018)	(122,646)	(104,517)
Other income	618	463	1,305	1,627
Gain/(loss) on disposal of a subsidiary	-	(432)	-	29,125
Written-off of property, plant and equipment	(858)	(8)	(2,119)	(448)
Gain on disposal of property, plant and equipment	1,712	391	4,142	942
Total operating expenses, net	<u>(48,379)</u>	<u>(46,604)</u>	<u>(119,318)</u>	<u>(73,271)</u>
Income from operations	55,084	41,876	127,933	131,147
Interest income	204	501	1,139	1,056
Interest expense	(338)	(413)	(1,138)	(1,281)
Income before income tax expense	<u>54,950</u>	<u>41,964</u>	<u>127,934</u>	<u>130,922</u>
Income tax expense	(4,494)	(8,635)	(14,994)	(18,348)
Net income	<u>50,456</u>	<u>33,329</u>	<u>112,940</u>	<u>112,574</u>
Other comprehensive expense				
Foreign currency translation adjustment	(6,184)	(6,179)	(1,603)	(8,330)
Comprehensive income attributable to Plastec Technologies, Ltd.	<u>44,272</u>	<u>27,150</u>	<u>111,337</u>	<u>104,244</u>
Net income per share:				
Weighted average number of ordinary shares	<u>12,938,128</u>	<u>12,938,128</u>	<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>	<u>12,938,128</u>	<u>12,938,128</u>
Basic income per share attributable to Plastec Technologies, Ltd.	<u>HK\$3.9</u>	<u>HK\$2.6</u>	<u>HK\$8.7</u>	<u>HK\$8.7</u>
Diluted income per share attributable to Plastec Technologies, Ltd.	<u>HK\$3.9</u>	<u>HK\$2.6</u>	<u>HK\$8.7</u>	<u>HK\$8.7</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)
	September 30,	December 31,
	2015	2014
	HK\$	HK\$
ASSETS		
Current assets		
Cash and cash equivalents	486,285	528,527
Trade receivables, net of allowances for doubtful accounts of HK\$nil, and HK\$nil as of December 31, 2014 and September 30, 2015, respectively	316,674	278,553
Inventories	106,504	96,030
Deposits, prepayment and other receivables	51,840	50,204
Total current assets	961,303	953,314
Property, plant and equipment, net	315,847	283,500
Prepaid lease payments, net	18,547	19,692
Deferred tax assets	20,039	14,212
Intangible assets	438	438
Total assets	1,316,174	1,271,156
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Bank borrowings	51,116	21,429
Trade payables	135,624	125,854
Other payables and accruals	133,419	103,576
Tax payable	65,645	58,736
Total current liabilities	385,804	309,595
Bank Borrowings	7,143	28,571
Total liabilities	392,947	338,166
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 December 31, 2014 and September 30, 2015, respectively)	101	101
Additional paid-in capital	26,049	26,049
Accumulated other comprehensive income	8,534	10,137
Retained earnings	888,543	896,703
Total shareholders' equity	923,227	932,990
Total liabilities and shareholders' equity	1,316,174	1,271,156

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 9-month period ended September 30,	
	2015	2014
	HK\$	HK\$
Operating activities		
Net income	112,940	112,574
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	72,265	82,859
Gain on disposal of a subsidiary	-	(29,125)
Loss on written-off of property, plant and equipment	2,119	448
Gain on disposal of property, plant and equipment	(4,142)	(942)
Deferred tax credit	(6,021)	(1,829)
Changes in operating assets and liabilities:		
Trade receivables	(38,121)	(21,159)
Inventories	(10,474)	8,123
Deposits, prepayment and other receivables	(1,636)	(8,493)
Trade payables	9,770	25,470
Other payables and accruals	27,729	(2,449)
Tax payables	5,806	17,328
Net cash provided by operating activities	<u>170,235</u>	<u>182,805</u>
Investing activities		
Purchase of property, plant and equipment	(106,321)	(24,740)
Proceeds from disposal of a subsidiary	-	43,015
Proceeds from disposal of property, plant and equipment	8,289	1,204
Deposits for purchase of property, plant and equipment	-	(10,681)
Net cash (used in)/generated from investing activities	<u>(98,032)</u>	<u>8,798</u>
Financing activities		
Repurchases of shares and/or warrants	-	(406)
Net proceeds/(repayment) from/ of bank borrowings	8,258	(16,360)
Dividends paid	(121,100)	(30,275)
Net cash used in financing activities	<u>(112,842)</u>	<u>(47,041)</u>
Net increase/(decrease) in cash and cash equivalents	(40,639)	144,562
Effect of exchange rate changes on cash and cash equivalents	(1,603)	(7,580)
Cash and cash equivalents, beginning of period	528,527	348,901
Cash and cash equivalents, end of period	<u>486,285</u>	<u>485,883</u>
Supplementary disclosures of cash flow information:		
Interest (received)/paid, net	(1)	225
Income taxes paid	<u>15,210</u>	<u>2,849</u>

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

	Three Months Ended		Nine Months Ended	
	Sept 30	Sept 30	Sept 30	Sept 30
	2015	2014	2015	2014
	HKD	HKD	HKD	HKD
Net Income (note)	48,984	32,915	109,612	81,328
Plus Interest expenses	338	413	1,139	1,281
Minus Interest income	(204)	(501)	(1,138)	(1,056)
Plus Income tax expenses	4,494	8,635	14,994	18,348
Income from operations	53,612	41,462	124,605	99,901
Plus Depreciation and Amortization	23,160	26,753	72,265	82,859
Adjusted EBITDA	76,772	68,215	196,870	182,760

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. We believe that the presentation of such financial information provides more useful information to investors as it indicates more clearly our future performance. EBITDA was derived by taking earnings before interest expense (net), taxes, depreciation and amortization.