



**PLASTEC TECHNOLOGIES REPORTS 2014 SECOND QUARTER  
AND SIX-MONTH FINANCIAL RESULTS;  
ANNOUNCES EXTENSION OF SECURITIES REPURCHASE PLAN THROUGH SEPTEMBER 2015;  
INTERIM CASH DIVIDEND OF \$0.10 PER SHARE**

Hong Kong – August 11, 2014 – Plastec Technologies, Ltd. - (OTCBB: PLTYF (ordinary shares), PLTWF (warrants), 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 the second quarter and six-months ended June 30, 2014. See attached 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, 2014**  
(all comparisons to prior year)

- Sales of \$33.7 million, a decrease of 12.5% compared to \$38.5 million, as a result of the Company reducing lower margin product orders from existing customers and rescheduling of certain shipments to the next quarter
- Gross margin of 19.1%, compared to 25.5%
- Adjusted EBITDA of \$6.4 million, compared to \$8.6 million
- Net income of \$2.3 million, or \$0.18 per diluted share based on 12.9 million diluted shares outstanding, compared to \$5.7 million, or \$0.42 per diluted share based on 13.7 million diluted shares outstanding

**Fiscal 2014 Six-Month Financial and Operating Highlights**  
(all comparisons to same period of prior year)

- Sales of \$68.9 million, a decrease of 9.7% compared to \$76.3 million
- Gross margin of 21.6%, compared to 23.1%
- Adjusted EBITDA of \$14.7 million, compared to \$15.7 million
- Net income of \$10.2 million, or \$0.78 per diluted share based on 12.9 million diluted shares outstanding, compared to \$7.3 million, or \$0.53 per diluted share based on 13.7 million diluted shares outstanding
- \$16.6 million in cash generated from operations for the six months ended June 30, 2014, compared to \$10.1 million

**Balance Sheet Highlights**

- \$72.1 million in working capital at June 30, 2014, compared to \$58.0 million at December 31, 2013
- Book value per share increased to \$8.53 at June 30, 2014, compared to \$7.96 at December 31, 2013

**Dividends Distribution**

- In May 2014, the Company paid a cash dividend of \$0.20 per ordinary share for the year ended December 31, 2013.
- The Company also announced today that its Board of Directors has declared an interim cash dividend of \$0.10 per ordinary share for the fiscal 2014-second quarter ended June 30, 2014. The interim dividend will be payable on or about September 5, 2014 to shareholders of record as of August 29, 2014.

**Management Comments**

Mr. Kin Sun Sze-To, Chairman of Plastec, stated, “We were pleased to achieve profitability despite the effect of slower market conditions on our top line, particularly in the higher margin product categories where Plastec specializes. We were also affected by changes in quarterly order timing from certain customers, where purchases were pushed into Plastec’s third quarter. We feel that a number of our long-term clients are beginning to focus on the coming 2014 holiday season for new launches of products, which typically will lead to a seasonally larger third quarter for our Company as production ramps up. We were pleased to report positive net income and cash from operations during the period. We believe that our strong financial condition will benefit the Company as we come out of this market cycle, as many of our lesser capitalized competitors may not be able to consistently upgrade their facilities to the degree that Plastec has done in recent years.”

Chairman Sze-To continued, “We continue to balance our need to continue investing in our business through additional equipment repurchases and capacity expansion while also providing a return on our shareholders’ investment. We declared an interim dividend for the fiscal 2014 second quarter as a measure of rewarding our shareholders for their continued support. We also are extending our securities repurchase plan for another year, as we feel that the prices of Plastec’s securities remain an attractive investment opportunity. We remain steadfast in our confidence in Plastec’s fundamentals as reflected with this extension, and expect to continue seeking ways to generate long-term shareholder value.”

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

	3 months ended June 30, 2014	3 months ended June 30, 2013	Percentage Change	6 months ended June 30, 2014	6 months ended June 30, 2013	Percentage Change
Sales	\$33.7	\$38.5	(12.5%)	\$68.9	\$76.3	(9.7%)
Cost of Revenues	\$27.3	\$28.7	(4.9%)	\$54.0	\$58.6	(7.9%)
Gross Profit	\$6.4	\$9.8	(34.5%)	\$14.9	\$17.6	(15.8%)
<i>Gross Profit Margin</i>	19.1%	25.5%		21.6%	23.1%	
Income from Operations	\$2.7	\$4.5	(38.6%)	\$11.4	\$7.4	54.2%
<i>Operating Margin</i>	8.2%	11.6%		16.6%	9.7%	
Net Income	\$2.3	\$5.7	(60.4%)	\$10.2	\$7.3	39.7%
<i>Net Margin</i>	6.7%	14.8%		14.7%	9.5%	
Weighted Average Number of Diluted Ordinary Shares Outstanding	12,938,128	13,666,376		12,938,128	13,725,640	
Diluted EPS	\$0.18	\$0.42	(57.6%)	\$0.78	\$0.53	48.8%
Adjusted EBITDA*	\$6.4	\$8.6	(25.5%)	\$14.7	\$15.7	(6.5%)

\* Reconciliation table at end of release

**Balance Sheet Highlights (USD in Millions)**

	<u>6/30/2014</u>	<u>12/31/2013</u>	Percentage Change
Cash and Cash Equivalents	\$60.1	\$44.7	34.4%
Total Current Assets	\$110.7	\$96.6	14.6%
Total Assets	\$155.3	\$148.1	4.9%
<i>Working Capital</i>	\$72.1	\$58.0	24.4%
Total Long-term Debt	\$6.4	\$6.4	nil
Total Liabilities	\$45.0	\$45.0	nil
<b>Shareholders' Equity</b>	\$110.3	\$103.0	7.1%
Total Liabilities and Shareholders' Equity	\$155.3	\$148.1	4.9%

**2014 Second Quarter and First Half Financial Review**

- Total sales for the three months period ended June 30, 2014 were \$33.7 million compared to \$38.5 million in the prior-year period. The decrease was due to certain shipments being re-scheduled to the next quarter by customers and continued elimination of sales orders with low margins. Total sales for the six months period ended June 30, 2014 were \$68.9 million, compared to \$76.3 million in the corresponding period in the prior year.
- The Company’s gross profit was \$6.4 million during the three months period ended June 30, 2014 compared to \$9.8 million in the prior-year period, and gross profit margin was 19.1% compared to 25.5%. The Company’s decreased gross profit was in line with lower revenues, with margins affected by higher raw materials costs consumed during the period compared to the corresponding period in the prior year. For the six months period ended June 30, 2014, the Company’s gross profit was \$14.9 million, or 21.6% of revenues, compared to \$17.6 million, or 23.1% of revenues, in the prior year period.
- Total selling, general and administrative (SG&A) expenses during the three months period ended June 30, 2014 decreased to \$3.5 million, or 10.5% of revenues, compared to the \$5.4 million, or 13.9% of revenues, in the corresponding period of the prior year because of lower administrative expenses and the Company’s capacity

structuring efforts, and also arising from an exchange gain of approximately \$756,000 during the period compared to an exchange loss of \$179,500 in the corresponding period in the prior year. For the six months period ended June 30, 2014, SG&A decreased by approximately 27.9% to \$7.4 million, or 10.7% of revenues, compared to \$10.2 million, or 13.4%, in the corresponding period of the prior year, mainly due to the implementation of costs containment strategies and capacity restructuring during 2013, which resulted in the downsizing and cessation of Plastec's operations at Heyuan and Zuhai, and was augmented by an exchange gain recorded during the period of approximately \$1.4 million.

- Income from operations was \$2.7 million, or 8.2% of revenues, during the three months period ended June 30, 2014, compared to \$4.5 million, or 11.6% of revenues, in the prior-year period. For the first half of 2014, the Company reported income from operations of \$11.4 million, or 16.6% of revenues, compared to \$7.4 million, or 9.7% of revenues, during the prior year period.
- Adjusted EBITDA for the three months ended June 30, 2014 was \$6.4 million, compared to \$8.6 million in the prior-year period. For the first half of 2014, adjusted EBITDA was \$14.7 million, compared to \$15.7 million in the prior year period.
- Net income for the three months period ended June 30, 2014 was \$2.3 million, or \$0.18 per share based on approximately 12.9 million weighted average diluted shares outstanding, compared to \$5.7 million, or \$0.42 per share based on approximately 13.7 million weighted average diluted shares outstanding, in the prior-year period. For the six months period ended June 30, 2014, net income was \$10.2 million, or \$0.78 per share based on approximately 12.9 million weighted average diluted shares outstanding, compared to \$7.3 million, or \$0.53 per share based on approximately 13.7 million weighted average diluted shares, in the prior-year period.

#### Extension of Securities Repurchase Plan

The Company announced today that its Board of Directors has approved an extension of its previously announced securities repurchase plan (as expanded) through September 25, 2015, allowing Plastec to purchase up to \$5 million of its ordinary shares, warrants, and units in both open market and privately negotiated transactions at the discretion of the Company's management and as market conditions allow. As of the date of this press release, Plastec had repurchased 586,010 ordinary shares and no warrants/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 over 4,700 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,	
	2014	2013	2014	2013
	HK\$	HK\$	HK\$	HK\$
Revenues	262,940	300,381	537,193	595,067
Cost of revenues	(212,708)	(223,637)	(421,255)	(457,409)
Gross profit	50,232	76,744	115,938	137,658
Operating expenses, net				
Selling, general and administrative expenses	(27,650)	(41,781)	(57,500)	(79,725)
Other income	1,106	2,644	1,163	2,730
Gain/(loss) on disposal of a subsidiary	(2,605)	-	29,557	-
Written-off of property, plant and equipment	-	-	(440)	-
Gain/(loss) on disposal of property, plant and equipment	364	(2,705)	552	(2,772)
Total operating expenses, net	(28,785)	(41,842)	(26,668)	(79,767)
Income from operations	21,447	34,902	89,270	57,891
Interest income	388	54	555	105
Interest expense	(447)	(290)	(868)	(678)
Income before income tax expense	21,388	34,666	88,957	57,318
Income tax credit/(expense)	(3,777)	9,812	(9,781)	(662)
Net income	17,611	44,478	79,176	56,656
Other comprehensive income/(expense)				
Foreign currency translation adjustment	-	979	(2,151)	2,297
Comprehensive income attributable to Plastec Technologies, Ltd.	17,611	45,457	77,025	58,953
Net income per share:				
Weighted average number of ordinary shares	12,938,128	13,666,376	12,938,128	13,725,640
Weighted average number of diluted ordinary shares	12,938,128	13,666,376	12,938,128	13,725,640
Basic income per share attributable to Plastec Technologies, Ltd.	HK\$1.4	HK\$3.3	HK\$6.1	HK\$4.1
Diluted income per share attributable to Plastec Technologies, Ltd.	HK\$1.4	HK\$3.3	HK\$6.1	HK\$4.1

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, 2014	December 31, 2013
	HK\$	HK\$
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	468,772	348,901
Trade receivables, net of allowances for doubtful accounts of HK\$nil, and HK\$nil as of December 31, 2013 and June 30, 2014, respectively	250,624	269,419
Inventories	108,103	107,058
Deposits, prepayment and other receivables	35,896	28,139
Total current assets	<u>863,395</u>	<u>753,517</u>
Property, plant and equipment, net	310,332	364,149
Prepaid lease payments, net	20,455	22,167
Other assets	2,360	2,325
Deferred tax assets	14,349	12,225
Intangible assets	438	438
Total assets	<u><u>1,211,329</u></u>	<u><u>1,154,821</u></u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities		
Bank borrowings	26,287	37,782
Trade payables	116,529	105,428
Other payables and accruals	111,524	116,608
Tax payable	46,533	41,389
Total current liabilities	<u>300,873</u>	<u>301,207</u>
Bank Borrowings	<u>50,000</u>	<u>50,000</u>
Total liabilities	<u>350,873</u>	<u>351,207</u>
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, 2013 and June 30, 2014, respectively)	101	101
Additional paid-in capital	26,455	26,455
Accumulated other comprehensive income	15,750	17,901
Retained earnings	818,150	759,157
Total shareholders' equity	<u>860,456</u>	<u>803,614</u>
Total liabilities and shareholders' equity	<u><u>1,211,329</u></u>	<u><u>1,154,821</u></u>

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,	
	2014	2013
	HK\$	HK\$
Operating activities		
Net income	79,176	56,656
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	56,106	64,509
Gain on disposal of a subsidiary	(29,557)	-
Loss on written-off of property, plant and equipment	440	-
Loss/(gain) on disposal of property, plant and equipment	(552)	2,772
Deferred tax credit	(1,358)	(14,361)
Changes in operating assets and liabilities:		
Trade receivables	18,795	5,983
Inventories	(1,045)	8,655
Deposits, prepayment and other receivables	(7,783)	(22,690)
Trade payables	11,101	(17,217)
Other payables and accruals	(4,493)	(19,805)
Tax payables	8,539	13,981
Net cash provided by operating activities	<u>129,369</u>	<u>78,483</u>
Investing activities		
Purchase of property, plant and equipment	(16,577)	(19,842)
Proceeds from disposal of a subsidiary	43,447	-
Proceeds from disposal of property, plant and equipment	749	1,833
Deposits for purchase of property, plant and equipment	(2,360)	(353)
Net cash (used in)/generated from investing activities	<u>25,259</u>	<u>(18,362)</u>
Financing activities		
Repurchases of shares	-	(32,515)
Net repayment of bank borrowings	(11,495)	(41,917)
Dividends paid	(20,183)	-
Net cash used in financing activities	<u>(31,678)</u>	<u>(74,432)</u>
Net increase/(decrease)in cash and cash equivalents	122,950	(14,311)
Effect of exchange rate changes on cash and cash equivalents	(3,079)	2,297
Cash and cash equivalents, beginning of period	<u>348,901</u>	<u>309,862</u>
Cash and cash equivalents, end of period	<u><u>468,772</u></u>	<u><u>297,848</u></u>
Supplementary disclosures of cash flow information:		
Interest paid, net	<u>317</u>	<u>573</u>
Income taxes paid	<u><u>2,602</u></u>	<u><u>1,043</u></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	June 30	June 30
	2014	2013	2014	2013
	HKD	HKD	HKD	HKD
Net Income (note)	18,746	44,539	48,344	56,698
Plus Interest expenses	447	290	868	678
Minus Interest income	(388)	(54)	(555)	(105)
Plus Income tax expenses	3,777	(9,812)	9,781	662
Income from operations	22,582	34,963	58,438	57,933
Plus Depreciation and Amortization	27,556	32,292	56,106	64,509
Adjusted EBITDA	50,138	67,255	114,544	122,442

Note: Excl. other incomes 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